



राजपत्र, हिमाचल प्रदेश

हिमाचल प्रदेश राज्यशासन द्वारा प्रकाशित

खण्ड 20]

शिमला, शनिवार, 22 अप्रैल, 1972/2 वैशाख, 1894

[संख्या 17

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22 अप्रैल, 1972/2 वैशाख, 1894 को समाप्त होने वाले सप्ताह में निम्नलिखित विज्ञप्तियाँ 'प्रसाधारण राजपत्र, हिमाचल प्रदेश' में प्रकाशित हुईः—

विज्ञप्ति की संख्या	विभाग का नाम	विषय
No. 1-11/70-LSG., dated the 20th December, 1971.	Local Self Government Department	Publication of Draft Rules entitled as the Himachal Pradesh Municipalities Servants (Punishment, Removal, Suspension and Appeal) Rules, 1971.
No. 11-7/72-VS., dated the 3rd April, 1972.	Vidhan Sabha Secretariat	Publication of the Himachal Pradesh War Awards Bill, 1972 (Bill No. 9 of 1972).
No. 11-8/72-VS., dated the 3rd April, 1972.	-do-	Publication of the Himachal Pradesh Housing Board Bill, 1972 (Bill No. 10 of 1972).

भाग 1—वैधानिक नियमों को छोड़ कर हिमाचल प्रदेश के राज्यपाल और हिमाचल प्रदेश हाई कोर्ट द्वारा अधिसूचनाएं इत्यादि

हिमाचल प्रदेश सरकार

PERSONNEL DEPARTMENT

**(SECRETARIAT ADMINISTRATION SERVICES)
NOTIFICATIONS**

Simla-2, the 10th April, 1972

No. 8-14 69-SAS. Shri Tirath Ram Lakhpal, promoted to officiate temporarily on *ad hoc* basis as Section Officer (Class II Gazetted) vide this Department notification of even number, dated the 10th September, 1971, stand reverted to the substantive post of Deputy Superintendent, with effect from 9th March, 1972.

By order,
K. N. CHANNA,
Chief Secretary.

Simla-2, the 13th April, 1972

No. 3-27 69-App.—The Governor, Himachal Pradesh is pleased to appoint Shri Harbans Singh, Under Secretary (Budget) to the Government of Himachal Pradesh as Examiner, Local Fund Accounts in the Local Audit Department of Himachal Pradesh, in addition to his normal duties with effect from the 18th August, 1969.

S. S. SIDHU,
Joint Secretary.

**HEALTH AND FAMILY PLANNING DEPARTMENT
NOTIFICATION**

Simla-2, the 28th March, 1972

No. 1-124 71-H&FP. The Governor, Himachal Pradesh is pleased to accept the resignation of Dr. Kamal Kishore Vaidya, Dental Surgeon, Referral Hospital, Rampur, with effect from 10th April, 1972 or from the date of relieving.

S. L. TALWAR,
Under Secretary.

INDUSTRIES DEPARTMENT

NOTIFICATION

Simla-2, the 10th April, 1972

No. 1-59,69-SI(Estt.). The Governor of Himachal Pradesh, on the recommendations of the Departmental Promotion Committee, is pleased to order officiating promotion of Shri Gobind Sahai, a substantive holder of the post of Marketing Officer, to the post of Deputy Director of Industries, on regular basis in the pay scale of Rs. 400-30-550/40-750/50-1250 w.e.f. 25th March, 1971 (A.N.).

By order,

P. K. MATTOO,
Secretary.

PLANNING DEPARTMENT

NOTIFICATION

Simla-2, the 6th April, 1972

No. 6-22/71-Plan. The Governor, Himachal Pradesh is pleased to constitute State Level Committee on Science and Technology, consisting of the following

for a term of three years:—

	<i>Chairman</i>
	<i>Member</i>
1. Chief Minister	-do-
2. Chief Secretary	-do-
3. Finance Secretary	-do-
4. Planning Secretary	-do-
5. Director, Potato Research Institute Government of India Kanlog, Simla.	-do-
6. Vice Chancellor, Himachal Pradesh University, Summer-Hill, Simla.	-do-
7. Principal Medical College, Simla	-do-
8. Director of Health Services, Himachal Pradesh, Simla-4.	-do-
9. Director of Agriculture, Himachal Pradesh, Simla-5.	-do-
10. Principals Agricultural College Solan and Palampur.	-do-
11. Chief Engineer, Himachal Pradesh, PWD-I.	-do-
12. Chief Engineer, Himachal Pradesh, PWD-II.	-do-
13. Chairman, Electricity Board, Himachal Pradesh, Simla.	-do-
14. Director of Industries, Himachal Pradesh, Simla.	-do-
15. Chief Conservator of Forests, Himachal Pradesh, Simla.	-do-
16. Director of Horticulture, Himachal Pradesh Naubhar, Simla.	-do-
17. Director of Animal Husbandry, Himachal Pradesh, Simla-4.	-do-
18. Chairman, Himachal Pradesh, Service Commission, Simla.	-do-
19. Director of Education, Himachal Pradesh, Simla.	-do-
20. Representative of National Council of Science and Technology, Govern- ment of India (NCST Sectt.) Reserve Bank Building, New Delhi.	-do-
21. Director of the Central Research Institute, Kasauli.	-do-
22. Incharge Wheat Breeding Station, Simla.	-do-

2. The terms of reference and the functions of the Committee will be as under:—

- (i) Preparation and continuous updating of the State's Scientific and technological plans, both Five-Year Plans and as Perspective Plans. This would have to be carried out in close association with the Planning Department and be intimately related in terms of relative priorities of allocations and resources to the State's Socio-Economic Development plans.
- (ii) Arranging for a periodical discussion of the draft plan and other major issues of Science policy by a fairly large representative section of the Scientists, Educationists, Industrialists and policy makers.
- (iii) The pattern for Development of scientific and technological research including inter-sectoral resources allocation and measures needed for correcting imbalances that may arise.

- (iv) The pattern of Development for further utilisation of the State's scientific and Technological resources; in particular, on measures for striking a balance between domestic capabilities and assistance from the Centre;
- (v) Co-operation and communication between Government, Semi-Government and non-Government scientific and technological institutions and professional bodies in the State and the Country;
- (vi) National and international scientific and Technological matters.

3. The Secretary (Planning) to the Government of Himachal Pradesh shall be the *ex-officio* Secretary of the Committee.

Sd/-
Secretary.

PUBLIC WORKS DEPARTMENT NOTIFICATIONS

Simla-2, the 12th April, 1972

No. 2-35/70-PWD.—In exercise of the powers conferred upon him under section 48(1) of the Land Acquisition Act, 1894, the Governor, Himachal Pradesh is pleased to withdraw from the proceedings launched for the acquisition of 4686 sq. yards and 8 sq. ft. land in Station Ward Chhota Simla "Edgeworth" Simla East, which was notified under section 4 of the said Act, for the public purpose, namely for the housing of Government employees vide this department notification of even number, dated the 7th December, 1970.

Sd/-
Secretary.

Simla-2, the 13th April, 1972

No. 2-34/70-PWD.—Whereas it appears to the Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for Water Supply Scheme Domehar, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do other acts required or permitted by that section.

Any person interested, who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector of Land Acquisition, Himachal Pradesh Public Works Department, Solan.

SPECIFICATION

District: MAHASU

Tehsil: ARKI

Village	Khasra No.	Area Big. Bis.
BIKRAMPUR	677/1	0 11
PATTI: BADAHAN.		

Simla-2, the 13th April, 1972

No. 2-34/70-PWD.—Whereas it appears to the Governor, Himachal Pradesh that land is likely to be required to be taken by the Himachal Pradesh Government at the public expense for a public purpose, namely for Water Supply Scheme Domehar, it is hereby notified that land in the locality described below is likely to be acquired for the above purpose.

This notification is made under the provisions of section 4 of the Land Acquisition Act, 1894 to all whom it may concern.

In exercise of the powers conferred by the aforesaid section, the Governor, Himachal Pradesh is pleased to authorise the officers for the time being engaged in the undertaking with their servants and workmen to enter upon and survey any land in the locality and do all other acts required or permitted by that section.

Any person interested, who has any objection to the acquisition of the said land in the locality may, within thirty days of the publication of this notification, file an objection in writing before the Collector of Land Acquisition, Himachal Pradesh Public Works Department, Solan.

SPECIFICATION

District: MAHASU

Tehsil: ARKI

Village	Khasra No.	Area Big. Bis.
BIKRAMPUR (PATTI: DOMEHAR)	211/1	1 1

By order,
Sd/-
Secretary.

REVENUE DEPARTMENT

NOTIFICATION

Simla-2, the 7th April, 1972

No. 4-19/72-Rev. Cell.—Whereas the Governor of Himachal Pradesh, no longer requires, at public expense for a public purpose the land specified herein below:

Now, therefore, in pursuance of section 48 of the Land Acquisition Act, 1894 and all other powers enabling him in this behalf, the Governor of Himachal Pradesh is pleased to withdraw the land acquisition proceedings with respect to which a notification under section 4 of the said Act under No 5577/BP/654/63, dated the 21st March, 1963 and subsequent declaration under section 6 of the said Act under notification No. 26245/BPA/645/63, dated the 31st October, 1963 issued by the Punjab Government for acquiring land for Impervious Material Investigation in village Sathana and Chhabar in tikka Bhanth, H.B. No. 145/1 of village Sathana, Tehsil: Dehra District Kangra.

SPECIFICATION

District: KANGRA

Tehsil: DEHRA

Village	Khasra No.	Area M. K.
TIKKA BANTH OF VILLAGE SATHANA.	H. B. No. 145/1 23 min. 27 28 min. 29 30	32 0 8 3 9 10 5 15 3 3

1	2	3	4	1	2	3	4
31		0	15		100	4	11
32		1	13		101	1	0
33		2	17		102	1	3
34		2	8		103	5	4
35		2	0		104	1	12
36		5	11		105 min	8	18
37		0	4		106	2	15
38		90	7		107	3	14
39 min		1	0		108	7	10
40		0	12		109	1	10
41		1	19		110	3	10
42		3	12		111	2	9
43		2	19		112	1	9
44		2	5		113	1	9
45		2	8		114	1	5
46		2	12		115	5	0
47		10	1		116	0	8
48		2	8		117	0	13
50		3	5		118	1	8
51		1	1		119	1	3
52		3	16		120	1	7
53		3	5		121	4	14
54		1	1		122	3	4
55		1	11		123	4	9
56		0	8		125	4	9
57		1	14		126	4	15
58		1	17		127	0	18
59		1	7		128	1	18
60		0	15		129	3	16
61		3	1		130	6	5
62		4	5		131	7	8
63		5	11		132	1	5
64		0	15		133	1	12
65		1	16		134	2	0
66		1	2		135	1	13
67		0	16		136	2	13
68		0	16		173/137	1	9
69		2	14		174/137	0	15
70		3	0		175/137	3	15
71		7	0		176/137	1	3
72		3	5		138	2	9
73		4	0		139	1	9
74		1	13		140	4	0
75		6	6		141	4	12
76		1	7		142	5	1
77		2	7		143	2	3
78		2	4		144	1	6
79		0	6		145	2	0
80		0	3		146	1	5
81		0	3		147	2	17
82		7	9		177/148	1	11
83		0	9		178/148	0	16
171/84		0	4		149	0	6
172/84		0	5		150	5	2
85		0	19		151	1	12
86		3	0		152	6	18
87		2	12		153	5	0
88		1	19		154 min	6	10
89		1	2		155	4	7
90		0	9		156	3	12
91		0	12		157	4	13
92		2	2				
93		4	17				
94		1	15				
95		6	3				
96		3	15				
97		3	5				
98		3	1				
99		3	15				

1	2	3	4	1	2	3	4
	158	6	12		182/164	2	13
	159	2	2		183/164	1	0
	160	16	17		166	14	17
	161	5	7				
	162	15	17				
	163	5	9				
	179/164	1	5				
	180/164	1	11				
	181/164	1	8				

By order,
L. HMINGLIANA TOCHHAWNG,
Secretary.

भाग 2—वैधानिक नियमों को छोड़ कर विभिन्न विभागों के अध्यक्षों और ज़िला मैजिस्ट्रेटों द्वारा अधिसूचनाएं
इत्यादि

Office of the Assistant District Industries Officer, Bilaspur
"FORM H"

DECLARATION UNDER SECTION 24 OF THE ACT
Bilaspur, the 3rd April, 1972

No. Blp /ADIO/LOAN/N/71/72.—Whereas a notice was served on Shrimati Soman Devi w/o Shri Anant Ram, Mittal Book Binding, Village and P. O. Ghumarwin on the 11th December, 1971, under section 23 of the Punjab State Aid to Industries (H. P. Amendment) Act, 1964, calling upon the said Shrimati Soman Devi to pay to me the sum of Rs. 623.50 on or before the 31st December, 1971 and whereas the said sum has not been paid, I hereby declare the sum of Rs. 857 as principal and interest, Rs. 390

up to 10th October, 1972 and further interest will be charged till the date of payment is due from the said Shrimati Soman Devi, Village and Post Office Ghumarwin, District Bilaspur, and the property described in the attached schedule is liable for the satisfaction of the said debt.

SCHEDULE

Machinery of loanee, i.e. Paper Cutting Machine, Paper Stiching Machine installed at Ghumarwin belonging to loanee amounting to Rs. 6,000.

Sd/-
Assistant District Industries Officer, Bilaaspur.

3—अधिनियम, विधेयक और विधेयकों पर प्रवर समिति के प्रतिवेदन, वैधानिक नियम तथा हिमाचल प्रदेश के राज्यपाल, हिमाचल प्रदेश हाई कोर्ट, फाइनेन्शल कमिशनर तथा कमिशनर आफ

इन्कम-टैक्स द्वारा अधिसूचित आदेश इत्यादि

ANIMAL HUSBANDRY DEPARTMENT NOTIFICATION

Simla-2, the 7th April 1972

No. 6-10/69-AH(Sectt.).—In exercise of the powers conferred by sub-section (1) of section 21 of the Himachal Pradesh Livestock Improvement Act, 1968, the Governor, Himachal Pradesh is pleased to make the following amendments in the Himachal Pradesh Livestock Improvement Rules, 1969, published vide this Government notification No. 6-10/69-AH(Sectt.), dated the 16th July, 1970, in the Rajpatra, dated the 25th July, 1970.

Any person who has any objection or suggestion may send the same to the Secretary (Animal Husbandry) to Himachal Pradesh Government, Simla-2, within a period of 30 days from the date of publication of this notification in the Himachal Pradesh Rajpatra for the consideration of the Government after which these amendments will be finalised.

AMENDMENTS

1. Sub-Rule (vi) of Rule 2.

भाग 4—स्थानीय स्वायत शासन: म्युनिसिपल बोर्ड, डिस्ट्रिक्ट बोर्ड, नोटिफाइड और टाउन एरिया
तथा पंचायत विभाग

PANCHAYATI RAJ DEPARTMENT

SHOW CAUSE NOTICE

Simla-4, the 17th March, 1972

No. 10-G-71/72-Panch(C).—Whereas Shri Ram Dass

Pradhan, Gram Panchayat, Siri Nagar, Tehsil Kandaghat, District Simla, Himachal Pradesh is involved in a case under section 419/420/465/471/467/468 Indian Penal Code read with sections 109 and 120B Indian Penal Code, which is pending in the Court of Session Judge, Simla;

And whereas the charges against him involve moral turpitude and to mis-conduct in the discharge of his duties, for which he can be removed from the office of Pradhan, in accordance with the provisions of the Himachal Pradesh Panchayati Raj Act, 1968 (Act No. 19 of 1970);

Now, therefore, the Government in terms of Rule 77 of the Himachal Pradesh Gram Panchayat Rules, 1971, hereby direct the said Shri Ram Dass to show cause

within 30 days as to why he should not be suspended from the office of the Pradhan Gram Panchayat Siri Nagar. If no reply is received within the stipulated period, *ex parte* action will be taken against him.

His reply should reach the Government through the Deputy Commissioner, Simla, Himachal Pradesh.

Sd/-
Secretary

भाग 5—वैयक्तिक अधिसूचनाएं और विज्ञापन

BAR COUNCIL OF HIMACHAL PRADESH SIMLA

NOTIFICATION NO. 1

Simla, the 7th November, 1971

It is hereby notified under section 3(3) of the Advocates Act, 1961, read with rules 34 and 35 of the Bar Council of Punjab and Haryana (Constitution and Conduct of Business) Rules, 1963, framed by the Bar Council of Punjab and Haryana under section 15(2)(a), (c), (d), (e), (f), (g), (h), (i) and (j), read with sections 3, 8, 9 and 10 of the Advocates Act, 1961 and approved by the Bar Council of India, and as applicable to Bar Council, Himachal Pradesh vide section 24(5) (f) of the Himachal Pradesh State Act, 1970, that the following persons were elected as Chairman and Vice-Chairman of the Bar Council of Himachal Pradesh in its meeting held on 7th November, 1971.

(1) Shri Inder Singh

Chairman.

(2) Shri Amar Chand Sud

Vice-Chairman

Sd/-

Chairman.

I certify that the persons named above have been duly elected as Chairman and Vice-Chairman of Bar Council of Himachal Pradesh, in accordance with rules 34 and 35 of the Bar Council of Punjab and Haryana (Constitution and Conduct of Business) Rules 1963, as applicable to Bar Council of Himachal Pradesh vide section 24 (5) (f) of the State of Himachal Pradesh Act, 1970.

Sd/-

Advocate General,
Himachal Pradesh.

NOTIFICATION No. 2

Simla, the 7th November, 1971

No. 1 Election BCHP. It is hereby notified that Shri Chhabil Dass, Advocate, member of the Bar Council of Himachal Pradesh has been elected as member of the Bar Council of India under section 4(1) of the Advocates Act, 1961, read with the rules made by the Bar Council of India, under section 15(2)(a)(c) and (d) of the Act.

Sd/-

Chairman,

Bar Council of Himachal Pradesh,
Simla.

FORM LR III

Notice under Rule 4(1) of the Himachal Pradesh Abolition of Big Landed Estates and Land Reforms Rules, 1955

Before the Compensation Officer, Shri C.L. Thakur, Mandi, District Mandi.

In the matter of Shri Amaru (Tenant).

versus

Shri Raghbir Singh Prabhu, r/o Mandi town (Landowner).

To

All persons concerned.

Whereas Shri Amaru (Tenant) has applied under sub-section (1) of section 11 of the Himachal Pradesh Abolition of Big Landed Estates and Land Reforms Act, 1953 for grant of proprietary rights in the land of his tenancy measuring 13-0-15 Bighas (as entered in the Revenue Records) situated in village Bhargawn, Pargana Tungle, Tehsil Sadar, District Mandi, in the ownership of Shri Raghbir Singh (Landowner).

And whereas a sum of Rs. 288.55 is proposed to be allowed as compensation to be paid by the said Shri Amaru (Tenant) to the said Shri Raghbir Singh (Landowner) for extinction of the rights, title and interests of the said landowner in the land described above.

Now, therefore, in pursuance of Rule 4(1) of the Himachal Pradesh Abolition of Big Landed Estates and Land Reforms Rules, 1955, it is hereby notified for information of all persons concerned that objections in regard to the assessment of the said amount of Rs. 288.55 as compensation, shall be received by the undersigned by 4-5-1972.

Any person having any objection to make in the matter, may do so in writing addressed to the undersigned on or before the date specified above whereafter no objections shall be received.

Given under my hand and seal, this 10th day of April, 1972.

C. L. THAKUR,
Compensation Officer.

FORM LR III

Notice under Rule 4(1) of the Himachal Pradesh Abolition of Big Landed Estates and Land Reforms Rules, 1955

Before the Compensation Officer, Shri C. L. Thakur, Mandi, District Mandi.

In the matter of Shri Amaru

(Tenant).

versus

Makardhwaj, Devi Charan, Ganeshpati, Padampani s/o Kushmaudhi, Prabhakar alias Ratu, Yadbinder s/o Hamashu, Mst. Nando wd/o Shank, Raghbir Singh s/o Prabhu alias Pista resident of Mandi town (Landowners) To

All persons concerned.

Whereas Shri Amaru (Tenant) has applied under sub-section (1) of section 11 of the Himachal Pradesh Abolition of Big Landed Estates and Land Reforms Act, 1953 for grant of proprietary rights in the land of his tenancy measuring 26-6-2 bighas (as entered in the Revenue Records) situated in village Bhargawn, Pargana Tungle, Tehsil Sadar, District Mandi, in the ownership of Shri Makardhwaj, etc. (Landowners).

And whereas a sum of Rs. 581.90 is proposed to be allowed as compensation to be paid by the said Shri Amaru (Tenant) to the said Shri Makardhwaj, etc. (Landowners) for extinction of the rights, title and interests of the said landowners in the land described

above.

Now, therefore, in pursuance of Rule 4(1) of the Himachal Pradesh Abolition of Big Landed Estates and Land Reforms Rules, 1955, it is hereby notified for information of all persons concerned that objections in regard to the assessment of the said amount of Rs. 581.90 as compensation, shall be received by the undersigned by 4-5-1972.

Any person having any objection to make in the matter, may do so in writing addressed to the undersigned on or before the date specified above whereafter no objections shall be received.

Given under my hand and seal, this 10th day of April, 1972.

C. L. THAKUR,
Compensation Officer.

Seal.

In the Court of Shri Surendra Prakash, M.A.LL.B., Senior Sub-Judge, Mahasu and Kinnaur districts, Simla-1 (Exercising the power of the District Judge Under the Indian Succession Act)

CASE NO. 10/2 OF 1971

Shri Sant Lal son of Shri Hari Nand of village Kanroti, Pargana Baghi-Mastgarh, Sub-Tehsil Kotkhai, District Mahasu

Petitioner.

Versus

General Public

Respondent.

To

The General Public.

Whereas the petitioner has applied for the grant of Succession certificate to the Estate of Shri Hari Nand alias Nandu son of Shri Chararu Ram deceased, r/o, village Baghi Mastgarh, Sub-Tehsil Kotkhai, District Mahasu, Himachal Pradesh and the said application has been fixed for hearing on the 4th May, 1972. Notice is hereby given to all concerned that if any relative, friend Kinsman or well-wisher of the aforesaid deceased desires to oppose the application of the petitioner aforesaid, he should appear personally through an authorised agent in this Court on the aforesaid date, and adduce any documentary or oral evidence in support of his claim to such grant of Succession Certificate or in support of his opposition to the application of the petitioner.

Given under my hand and the seal of the Court this 5th day of April, 1972.

Seal.

SURENDRA PRAKASH,
Senior Sub Judg.

**PROCLAMATION UNDER ORDER 5, RULE 20 C.P.C.
IN THE COURT OF THE SENIOR SUB-JUDGE,
KANGRA AT DHARAMSALA**

CASE NO. 163/71

Madho Parshad

Plaintiff.

Versus

Kali Parshad, Haria Moti Ram ss/o Charaga alias Mani Ram, r/o, Baij Nath, Tehsil Palampur,

Defendants.

Whereas the plaintiff Shri Madho Parshad has filed a suit for possession by redemption in this Court against the defendants. In this behalf notices have been issued against the defendants several times. But they are evading the service or has concealed themselves. It has been proved to the satisfaction of this Court that the above defendants cannot be served through ordinary way, hence this proclamation under order 5, rule 20 is issued against them

that they should appear in this court personally or through some authorised agent or pleader on 25-4-1972 at 10 A.M., failing which the *ex parte* proceedings will be taken against them.

Given under my hand and the seal of the Court, to day the 4th day of April, 1972.

Sd/-
Senior Sub-Judge.

Seal.

**PROCLAMATION UNDER ORDER 5, RULE 20 C.P.C.
IN THE COURT OF THE SENIOR SUB-JUDGE
KANGRA AT DHARAMSALA**

CASE NO. 351/71

Dulo Ram, etc.

Plaintiff.

Versus

On Parkash, 2. Kishori Lal, 3. Babu Ram, 4. Madan Lal, ss/o Parshotam, 5. Chandu Lal, s/o Durga Dass r/o Guler, Tehsil Dehra

Defendants.

Whereas the plaintiff Shri Dulo Ram etc. have filed a suit for declaration in this Court against the defendants. In this behalf notices have been issued against the defendants several times. But they are evading the service or have concealed themselves. It has been proved to the satisfaction of this Court that the above defendants cannot be served through ordinary way, hence this proclamation under order 5, rule 20 is issued against them that they should appear in this court personally or through some authorised agent or pleader on 14-6-1972 at 10 A.M., failing which the *ex parte* proceedings will be taken against them.

Given under my hand and the seal of the Court to day the 4th day of April, 1972.

Sd/-
Senior Sub-Judge.

PUBLIC NOTICE

I, Sukh Dial son of late L. Kura Mal, resident of Ambota, Tehsil Una, District Kangra and of the Lower Bazar Simla hereby inform the General Public that General Power of Attorney which I had given to Sarvshri (i) Bal Krishan Karol son of Shri Tulsi Ram of village and Tehsil Dehra, District Kangra. (ii) Kishori Lal son of L. Phalu Mal, manager of firm Rai Bahadur L. Jodha Mal Kuthiala and Co. Private Limited, Hoshiarpur and (iii) L. Bipon Lal Kuthiala and L. Jishan Lal Kuthiala son of late Rai Bahadur Jodha Mal Kuthiala, Kuthiala House, Hoshiarpur and which power of Attorney stood revoked since October, 1961 on the death of Rai Bahadur L. Jodha Mal Kuthiala. Any person getting any land or property transferred from any of the aforesaid person acting on my behalf as my attorney will be doing so at his own risk and costs as the power given by me to them stands revoked since October, 1961.

SUKH DIAL,
Son of late L. Kura Mal of Ambota, Tehsil Una,
District Kangra.

NOTICE

Notice is hereby given that the partnership firm styled as Messers Santu Mall Shambhu Nath with its Head Office at Saban Bazar, Ludhiana and branch at Bazaar Bikanarian, Amritsar and consisting of Sarvshri Shambhu Nath, Laxmi Chand Aggarwal, Balmukand, Dharam Pal and Mohinder

Pal as partners has shifted its Head Office to 74, The Mall Simla with effect from 1st April, 1972. The said firm was also reconstituted with effect from 1st April, 1972 and along with the above partners Master Sanjay Minor son of Shri Jagdish Pal was admitted to the benifits of partnership.

Yours faithfully,
for SANTU MALL SHAMBHU NATH,
LAXMI CHAND AGGARWAL,
Partner.

NOTICE

Notice is hereby given that the partnership firm styled as Messers Shambhu Nath and Co. with its

Head Office at Saban Bazar, Ludhiana and branch at 77, The Mall Simla and consisting of Sarvshri Dharan Pal, Jagdish Pal, Mohinder Pal, and Shrimati Tarawanti and Master Anil Kumar (Minor) has shifted its Head Office to 77, The Mall, Simla with effect from 1st April, 1972. The same firm was also reconstituted on 1st April, 1972. All the above partners rejoined the firm with changes in the profit and loss sharing ratio of their shares.

Yours faithfully,
for SHAMBHU NATH & Co.
DHARAM PAL JAIN,
Partner.

भाग 6—भारतीय राजपत्र इत्यादि में से पुनः प्रकाशन

(देविये पृष्ठ 429-475)

भाग 7—भारतीय निर्वाचन आयोग (Election Commission of India) की वैधानिक अधिसूचनाएं
तथा अन्य निर्वाचन सम्बन्धी अधिसूचनाएं

शून्य

अनुप्ररक

शून्य

PART VI

LAW DEPARTMENT NOTIFICATION

Simla-2, the 15th October, 1971

No. 12-11/71-LR.—The following Acts recently passed by the Parliament which have already been published in the Gazette of India, Extraordinary, Part II, Section I, are hereby republished in the Himachal Pradesh Government Rajapatra for the information of general public:—

1. The Finance (No. 2) Act, 1971 (32 of 1971).
2. The Indian Telegraph (Amendment) Act, 1971 (33 of 1971).
3. The Medical Termination of Pregnancy Act, 1971 (34 of 1971).
4. The Central Board of Direct Taxes (Validation of Proceedings) Act, 1971 (37 of 1971).
5. The Agricultural Refinance Corporation (Amendment) Act, 1971 (39 of 1971).
6. The Public Premises (Eviction of Unauthorised Occupants) Act, 1971 (40 of 1971).

JOSEPH DINA NATH,
Under Secretary (Judicial).

assented to on 10-8-71

THE FINANCE (NO. 2) ACT, 1971

Act No. 32 of 1971

AN

ACT

to give effect to the financial proposals of the Central Government for the financial year, 1971-72 and to provide for the levy of foreign travel tax.

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. *Short title and commencement.*—(1) This Act may be called the Finance (No. 2) Act, 1971.

(2) Save as otherwise provided in this Act, sections 2 to 38 and sections 53 and 54 shall be deemed to have come into force on the 1st day of April, 1971.

CHAPTER II

RATES OF INCOME-TAX

2. *Income-tax.*—(1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 1971, income-tax shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and D of that Part apply, shall be increased by a surcharge for purposes of the Union and in the cases to which Paragraph C applies, also by a special surcharge for purposes of the Union, calculated in each case in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1971, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

(i) on the amount of profits and gains from life insurance business so included, at the rate applicable in the case of the Life Insurance Corporation of India, in accordance with Paragraph E of Part I of the First Schedule, to that part of its

total income which consists of profits and gains from life insurance business; and

(ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(3) In cases to which Chapter XII or section 164 of the Income-tax Act, 1961 (43 of 1961), (hereinafter referred to as the Income-tax Act) applies, the tax chargeable shall be determined as provided in that Chapter or that section, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be.

(4) In cases in which tax has to be deducted under sections 193, 194, 194A and 195 of the Income-tax Act at the rates in force, the deduction shall be made at the rates specified in Part II of the First Schedule.

(5) In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80 E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule:

Provided that in respect of any income chargeable to tax under section 164 of the Income-tax Act at the rate of sixty-five per cent, "advance tax" shall be computed at that rate.

(6) For the purposes of this section and the First Schedule,—

(a) "company in which the public are substantially interested" means a company which is such a company as is referred to in section 108 of the Income-tax Act;

(b) "domestic company" means an Indian company, or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1971, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act;

(c) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining.

Explanation.—For the purposes of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-Tax Act) is not less than fifty-one per cent of such total income;

- (d) "tax free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income tax whereon is payable by the State Government;
- (e) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-Tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III INCOME-TAX

3. *Amendment of section 2 and section 20.*—In section 2 of the Income-tax Act,—

- (a) for clause (17), the following clause shall be substituted, namely:—

(17) "company" means—

- (i) any Indian company, or
- (ii) any body corporate incorporated by or under the laws of a country outside India, or
- (iii) any institution, association or body which is or was assessable or was assessed as a company for any assessment year under the Indian Income-tax Act, 1922 (11 of 1922), or which is or was assessable or was assessed under this Act as a company for any assessment year commencing on or before the 1st day of April, 1970, or
- (iv) any institution, association or body, whether incorporated or not and whether Indian or non-Indian, which is declared by general or special order of the Board to be a company:

Provided that such institution, association or body shall be deemed to be a company only for such assessment year or assessment years (whether commencing before the 1st day of April, 1971 or on or after that date) as may be specified in the declaration:

- (b) in clause (18), after sub-clause (a), the following sub-clauses shall be inserted, namely:—

"(a) if it is a company which is registered under section 25 of the Companies Act, 1956 (1 of 1956), or

"(b) if it is a company having no share capital and if, having regard to its objects, the nature and composition of its membership and other relevant considerations, it is declared by order of the Board to be a company in which the public are substantially interested:

Provided that such company shall be deemed to be a company in which the public are substantially interested only for such assessment year or assessment years (whether commencing before the 1st day of April, 1971 or on or after that date) as may be specified in the declaration; or"

- (c) in clause (26),

(i) after sub-clause (i), the following sub-clauses shall be inserted, namely:—

"(a) a corporation established by or under a Central, State or Provincial Act;

- (b) any institution, association or body which is declared by the Board to be a company under clause (17);"
- (ii) in the proviso, for the words "registered office of the company", the words "registered or, as the case may be, principal office of the company, corporation, institution, association or body" shall be substituted:

(d) after clause (43A), the following clause shall be inserted with effect from the 1st day of January, 1972, namely:—

(43B) "Tax Recovery Commissioner" means a Commissioner or an Assistant Commissioner of Income-tax who may be authorised by the Central Government, by general or special notification in the Official Gazette, to exercise the powers of a Tax Recovery Commissioner:

4. *Amendment of section 10.*—In section 10 of the Income-tax Act,—

(a) in clause (20), for the words "which accrues or arises from the supply of a commodity or service within its own jurisdictional area;", the words "which accrues or arises from the supply of a commodity or service (not being water or electricity) within its own jurisdictional area or from the supply of water or electricity within or outside its own jurisdictional area;" shall be substituted with effect from the 1st day of April, 1972;

- (b) in clause (26A),—

(i) the brackets and words "(not being an individual who is in the service of Government)" shall be, and shall be deemed always to have been, omitted;

(ii) for the expression "1st day of April, 1970", the expression "1st day of April, 1975" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1970.

5. *Amendment of section 11.*—In section 11 of the Income-tax Act, after sub-section (1), the following sub-section shall be, and shall be deemed always to have been, inserted, namely:—

(1A) For the purposes of sub-section (1),—

(a) where a capital asset, being property held under trust wholly for charitable or religious purposes, is transferred and the whole or any part of the net consideration is utilised for acquiring another capital asset to be so held, then, the capital gain arising from the transfer shall be deemed to have been applied to charitable or religious purposes to the extent specified hereunder, namely:—

(i) where the whole of the net consideration is utilised in acquiring the new capital asset, the whole of such capital gain;

(ii) where only a part of the net consideration is utilised for acquiring the new capital asset, so much of such capital gain as is equal to the amount, if any, by which the amount so utilised exceeds the cost of the transferred asset;

(b) where a capital asset, being property held under trust in part only for such purposes, is transferred and the whole or any part of the net consideration is utilised for acquiring another capital asset

to be so held, then, the appropriate fraction of the capital gain arising from the transfer shall be deemed to have been applied to charitable or religious purposes to the extent specified hereunder, namely:—

- (i) where the whole of the net consideration is utilised in acquiring the new capital asset, the whole of the appropriate fraction of such capital gain;
- (ii) in any other case, so much of the appropriate fraction of the capital gain as is equal to the amount, if any, by which the appropriate fraction of the amount utilised for acquiring the new asset exceeds the appropriate fraction of the cost of the transferred asset.

Explanation.—In this sub-section,

- (i) “appropriate fraction” means the fraction which represents the extent to which the income derived from the capital asset transferred was immediately before such transfer applicable to charitable or religious purposes;
- (ii) “cost of the transferred asset” means the aggregate of the cost of acquisition (as ascertained for the purposes of sections 48 and 49) of the capital asset which is the subject of the transfer and the cost of any improvement thereto within the meaning assigned to that expression in sub-clause (b) of clause (1) of section 55;
- (iii) “net consideration” means the full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer.

6. Amendment of section 13.—In section 13 of the Income-tax Act, in sub-section (4), for the words “moneys of the trust or the institution”, the words “funds of the trust or the institution” shall be substituted.

7. Amendment of section 16.—In section 16 of the Income-tax Act, in clause (iv), with effect from the 1st day of April, 1972,—

- (a) in sub-clause (b), for the entry “Rs. 60”, the entry “Rs. 75” shall be substituted;
- (b) in sub-clause (c), for the entry “Rs. 35”, the entry “Rs. 50” shall be substituted.

8. Amendment of section 36.—In section 36 of the Income-tax Act, in clause (viii) of sub-section (1), for the words “industrial development”, the words “industrial or agricultural development” shall be substituted with effect from the 1st day of April, 1972.

9. Amendment of section 40.—In section 40 of the Income-tax Act, with effect from the 1st day of April, 1972,—

- (a) in clause (a), sub-clause (v) shall be omitted;
- (b) in clause (c), for the words “benefit derived by or accruing to it therefrom”, the following shall be substituted, namely:—

“benefit derived by or accruing to it therefrom, so, however, that the deduction in respect of the aggregate of such expenditure and allowance in respect of any one person referred to in sub-clause (i) shall, in no case, exceed—

- (A) where such expenditure or allowance relates to a period exceeding eleven months comprised in the previous year, the amount of seventy-two thousand rupees;

- (B) where such expenditure or allowance relates to a period not exceeding eleven months comprised in the previous year, an amount calculated at the rate of six thousand rupees for each month or part thereof comprised in that period:

Provided that in a case where such person is also an employee of the company for any period comprised in the previous year, expenditure of the nature referred to in clauses (i), (ii), (iii) and (iv) of the second proviso to clause (a) of sub-section (5) of section 40A shall not be taken into account for the purposes of sub-clause (A) or sub-clause (b), as the case may be.”

10. Amendment of section 40A.—In section 40A of the Income-tax Act, with effect from the 1st day of April, 1972,—

- (a) in sub-section (2), in the proviso to clause (a), for the words “provisions of this section”, the words “provisions of this sub-section” shall be substituted;
- (b) after sub-section (4), the following sub-sections shall be inserted, namely:—
- (5) (a) Where the assessee—
 - (i) incurs any expenditure which results directly or indirectly in the payment of any salary to an employee or a former employee, or
 - (ii) incurs any expenditure which results directly or indirectly in the provision of any perquisite (whether convertible into money or not) to an employee or incurs directly or indirectly any expenditure or is entitled to any allowance in respect of any assets of the assessee used by an employee either wholly or partly for his own purposes of benefit.

then, subject to the provisions of clause (b), so much of such expenditure or allowance as is in excess of the limit specified in respect thereof in clause (c) shall not be allowed as a deduction:

Provided that where the assessee is a company, so much of the aggregate of—

- (a) the expenditure and allowance referred to in sub-clauses (i) and (ii) of this clause; and
- (b) the expenditure and allowance referred to in sub-clauses (i) and (ii) of clause (c) of section 40, in respect of an employee or a former employee, being a director or a person who has a substantial interest in the company or a relative of the director or of such person, as is in excess of the sum of seventy-two thousand rupees, shall in no case be allowed as a deduction:

Provided further that in computing the expenditure referred to in sub-clause (i) or the expenditure or allowance referred to in sub-clause (ii) of this clause or the aggregate referred to in the foregoing proviso, the following shall not be taken into account, namely:—

- (i) the value of any travel concession or assistance referred to in clause (5) of section 10;
- (ii) passage moneys or the value of any free or concessional passage referred to in sub-clause (i) of clause (6) of section 10;
- (iii) any payment referred to in clause (iv) or clause (v) of sub-section (1) of section 36;
- (iv) any expenditure referred to in clause (ix) of sub-section (1) of section 36.
- (b) Nothing in clause (a) shall apply to any expenditure or allowance in relation to—

- (i) any employee in respect of any period of his employment outside India;
- (ii) any employee being an individual referred to in sub-clause (vii) or sub-clause (viii) of clause (6) of section 10 in respect of any period during which he is entitled to the exemption under sub-clause (viii) or, as the case may be, sub-clause (viii) aforesaid;
- (iii) any employee whose income chargeable under the head "Salaries" is seven thousand and five hundred rupees or less.
- (c) The limits referred to in clause (a) are the following, namely:
 - (i) in respect of the expenditure referred to in sub-clause (i) of clause (a), in the case of an employee, an amount calculated at the rate of five thousand rupees for each month or part thereof comprised in the period of his employment in India during the previous year, and in the case of a former employee, being an individual who ceases or ceased to be the employee of the assessee during the previous year or any earlier previous year, sixty thousand rupees;
 - (ii) in respect of the aggregate of the expenditure and the allowance referred to in sub-clause (ii) of clause (a), one-fifth of the amount of the salary payable to the employee or an amount calculated at the rate of one thousand rupees for each month or part thereof comprised in the period of employment in India of the employee during the previous year, whichever is less.

Explanation 1. The provisions of this sub-section shall apply notwithstanding that any amount not to be allowed under this sub-section is included in the total income of the employee or, as the case may be, the former employee.

Explanation 2. —in the sub-section.

(a) "salary" has the meaning assigned to it in clause (1), read with clause (3) of section 17 subject to the following modifications, namely:

- (1) in the said clause (1), the word "perquisites" occurring in sub-clause (iv) and the whole of sub-clause (vii) shall be omitted;
- (2) in the said clause (3), the references to "assessee" shall be construed as references to "employee or former employee" and the references to "his employer or former employer" and "an employer or a former employer" shall be construed as references to "the assessee";

(b) "perquisite" means

- (i) rent-free accommodation provided to the employee by the assessee;
- (ii) any concession in the matter of rent respecting any accommodation provided to the employee by the assessee;
- (iii) any benefit or amenity granted or provided free of cost or at concessional rate to the employee by the assessee;
- (iv) payment by the assessee of any sum in respect of any obligation which, but for such payment, would have been payable by the employee; and
- (v) payment by the assessee of any sum, whether directly or through a fund, other than a recognised provident fund or an approved

superannuation fund, to effect an assurance on the life of the employee or to effect a contract for an annuity.

(6) Where the assessee incurs any expenditure by way of fees for services rendered by a person who at any time during the twenty-four months immediately preceding the previous year was an employee of the assessee,—

- (a) such expenditure by way of fees, or
- (b) where the assessee has also incurred in relation to such person any expenditure by way of salary referred to in sub-clause (i) of clause (a) of sub-section (5), the aggregate of such expenditure by way of fees and by way of salary, shall not be allowed as a deduction to the extent such expenditure by way of fees or, as the case may be, the aggregate of such expenditure by way of fees and by way of salary exceeds sixty thousand rupees.

11. *Omission of section 54A.*—Section 54A of the Income-tax Act shall be omitted with effect from the 1st day of April, 1972.

12. *Amendment of section 58.*—In clause (a) of sub-section (1) of section 58 of the Income-tax Act, sub-clause (iv) shall be omitted with effect from the 1st day of April, 1972.

13. *Amendment of section 67.*—In section 67 of the Income-tax Act,—

- (a) in clause (a) of sub-section (1) for the words "registered firm" the words, brackets, letter and figures "registered firm or an unregistered firm assessed as a registered firm under clause (b) of section 183" shall be substituted;
- (b) in sub-section (4), for the words "a firm treated as registered in accordance with the provisions of", the words "an unregistered firm assessed as a registered firm under" shall be substituted.

14. *Amendment of section 80A.*—In section 80A of the Income-tax Act, in sub-section (3), for the word, figures and letter "section 80L", the words, figures and letters "section 80MM or section 80N or section 80O" shall be substituted with effect from the 1st day of April, 1972.

15. *Amendment of section 80C.*—In section 80C of the Income-tax Act, with effect from the 1st day of April, 1972,—

(a) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) In computing the total income of an assessee, there shall be deducted, in accordance with and subject to the provisions of this section, an amount calculated, with reference to the aggregate of the sums specified in sub-section (2), at the following rates, namely:—

- (a) where such aggregate does not exceed Rs. 1,000. The whole of such aggregate does not exceed Rs. 1,000.
- (b) where such aggregate exceeds Rs. 1,000 but does not exceed Rs. 5,000. Rs. 1,000 plus 50 per cent of the amount by which such aggregate exceeds Rs. 1,000;
- (c) where such aggregate exceeds Rs. 5,000. Rs. 3,000 plus 40 per cent of the amount by which such aggregate exceeds Rs. 5,000."

(b) in sub-section (4), in clauses (ii) and (iv), for the words "fifteen thousand rupees", the words "twenty thousand rupees" shall be substituted.

16. *Amendment of section 80I.*—In section 80 of the Income-tax Act, in sub-section (1), for the words “eight per cent”, the words “five per cent” shall be substituted with effect from the 1st day of April, 1972.

17. *Amendment of section 80L.*—In section 80 L of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 1972,—

(a) for the words “Where the gross total income of an assessee includes any income by way of—”, the following shall be substituted namely:— “Where the gross total income of an assessee, being—

- (a) an individual, or
- (b) a Hindu undivided family, or
- (c) an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu, includes any income by way of—”;

(b) in clause (vi), the word “or” occurring at the end shall be omitted;

(c) in clause (vii), for the word and figures “section 36,”, the words and figures “section 36; or” shall be substituted;

(d) after clause (vii), the following clause shall be inserted, namely:—

“(viii) interest on deposits with a co-operative society, not being a co-operative society referred to in clause (vi), made by a member of the society.”

18. *Amendment of section 80M.*—In section 80 M of the Income-tax Act, with effect from the 1st day of April, 1972,—

(a) in sub-section (1),—

(i) for clauses (a) and (b), the following clauses shall be substituted, namely:—

- “(a) sixty per cent of such income, where the assessee is a domestic company;
- (b) sixty-five per cent of such income, where the assessee is a foreign company.”;

(ii) the *Explanation* shall be omitted;

(b) for sub-section (2) and the *Explanation* appearing below that sub-section, the following sub-section shall be substituted, namely:—

“(2) Where a company to which this section applies is entitled also to the deduction under section 80 K, the deduction under sub-section (1) shall be allowed in respect of income by way of dividends referred to therein as reduced by the amount of the deduction under section 80 K.”.

19. *Amendment of section 80MM.*—In section 80 MM of the Income-tax Act, with effect from the 1st day of April, 1972,—

(a) in sub-section (1),—

(i) for the words “assessee being an Indian company”, the words and brackets “assessee, being an Indian company or a person (other than a company) who is resident in India,” shall be substituted;

(ii) for the words “received by it”, the words “received by the assessee” shall be substituted;

(iii) for the words “Central Government”, in both the places where they occur, the word “Board” shall be substituted;

(iv) for the words “there shall be allowed a deduction”, the words “there shall, in accordance with and subject to the provisions of this section, be allowed a deduction” shall be substituted;

(v) after the proviso, the following proviso shall be inserted, namely:—

“Provided further that approval of the Board shall not be necessary in the case of any such agreement which has been approved for the purposes of the deduction under this sub-section by the Central Government before the 1st day of April, 1972, and every application for such approval of any such agreement pending with the Central Government immediately before that day shall stand transferred to the Board for disposal.”;

(b) after sub-section (2), the following sub-section shall be inserted, namely:—

“(2A) Where the assessee is a person other than a company or co-operative society, the deduction under sub-section (1) shall not be admissible unless the accounts of the assessee for the previous year have been audited by an accountant as defined in the *Explanation* below sub-section (2) of section 288, and the assessee furnishes, along with his return of income, the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.”.

20. *Amendment of section 80N.*—In section 80 N of the Income-tax Act, with effect from the 1st day of April, 1972,—

(a) for the words “assessee being an Indian company”, the words and brackets “assessee, being an Indian company or a person (other than a company) who is resident in India,” shall be substituted;

(b) for the words, figures and letters “Central Government in this behalf before the 1st day of October of the relevant assessment year”, the words “Board in this behalf” shall be substituted;

(c) the following provisos shall be inserted at the end, namely:—

“Provided that the application for such approval is made to the Board before the 1st day of October of the relevant assessment year:

Provided further that the approval of the Board shall not be necessary in the case of any such agreement which has been approved for the purposes of the deduction under this section by the Central Government before the 1st day of April, 1972, and every application for such approval of any such agreement pending with the Central Government immediately before that day shall stand transferred to the Board for disposal.”.

21. *Substitution of new section for section 80 O.*—For section 80 O of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1972, namely:—

“800 Deduction in respect of royalties, etc. from certain foreign enterprises.—(1) Where the gross total income of an assessee, being an Indian company or a person (other than a company) who is resident in India, includes any income by way of royalty, commission, fees or any similar payment received by the assessee from the Government of a foreign State or a foreign enterprise in consideration for the use outside India of any patent, invention, model, design, secret formula or process, or similar property right, or information concerning industrial, commercial or scientific knowledge, experience or skill made available or provided or agreed to be made available or provided to such Government or enterprise by the assessee, or in consideration of technical services rendered or agreed to be rendered outside India to such Government or enterprise by the assessee under an agreement approved by the Board in this behalf, there shall be allowed, in accordance with and subject to the provisions of this section, a deduction of the whole of such income, in computing the total income of the assessee:

Provided that the application for the approval of the agreement referred to in this sub-section is made to the Board before the 1st day of October of the assessment year in relation to which the approval is first sought:

Provided further that approval of the Board shall not be necessary in the case of any such agreement which has been approved for the purposes of the deduction under this section by the Central Government before the 1st day of April, 1972, and every application for such approval of any such agreement pending with the Central Government immediately before that day shall stand transferred to the Board for disposal.

(2) Where the assessee is a person other than a company or a co-operative society, the deduction under sub-section (1) shall not be admissible unless the accounts of the assessee for the previous year have been audited by an accountant as defined in the *Explanation* below sub-section (2) of section 288 and the assessee furnishes, along with his return of income, the report of such audit in the prescribed form duly signed and verified by such accountant and setting forth such particulars as may be prescribed.”.

22. Amendment of section 80P.—In section 80P of the Income-tax Act, in clause (a) of sub-section (2), with effect from the 1st day of April, 1972,—

(a) in sub-clause (i), the word “or” shall be inserted at the end;

(b) after sub-clause (v), the following sub-clauses shall be inserted, namely:—

“(vi) the collective disposal of the labour of its members, or

(vii) fishing or allied activities, that is to say, the catching, curing, processing, preserving, storing or marketing of fish or the purchase of materials and equipment in connection therewith for the purpose of supplying them to its members;”

(c) the following proviso shall be inserted at the end, namely:

“Provided that in the case of a co-operative society falling under sub-clause (vi) or sub-clause (vii), the rules and bye-laws of the society restrict the voting rights to the following classes of its members, namely:—

- (1) the individuals who contribute their labour or, as the case may be, carry on the fishing or allied activities;
- (2) the co-operative credit societies which provide financial assistance to the society;
- (3) the State Government;”.

23. Amendment of section 80T.—In section 80T of the Income-tax Act, in clause (b), with effect from the 1st day of April, 1972,—

- (a) in sub-clause (i), for the words “forty-five per cent”, words “thirty-five per cent” shall be substituted;
- (b) in sub-clause (ii) and in the proviso for the words “sixty-five per cent”, wherever they occur, the words “fifty per cent” shall be substituted.

24. Amendment of section 86.—In section 86 of the Income-tax Act, in clause (iii), after the words “unregistered firm”, the brackets, words, letter and figures “[not being an unregistered firm assessed as a registered firm under clause (b) of section 183]” shall be inserted.

25. Substitution of new section for section 115.—For section 115 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1972, namely:—

115. Tax on capital gains in case of companies.—Where the total income of a company includes any income chargeable under the head “Capital gains” relating to capital assets other than short-term capital assets (such income being hereinafter referred to as long-term capital gains), the income-tax payable shall be the aggregate of—

- (i) the amount of income-tax calculated on the amount of long-term capital gains included in the total income—
 - (a) at the rate of forty-five per cent on so much of the amount of such long-term capital gains as relate to buildings or lands or any rights in buildings or lands; and
 - (b) at the rate of thirty-five per cent on the balance of such long-term capital gains, if any; and
- (ii) the amount of incometax with which it would have been chargeable had its total income been reduced by the amount of long-term capital gains referred to in clause (i).

26. Amendment of section 194A.—In section 194A of the Income-tax Act, in clause (v) of sub-section (3), after the words “by a co-operative society”, the word “to a member thereof or” shall be inserted.

27. Amendment of section 230A.—In section 230A of the Income-tax Act, with effect from the 1st day of October, 1971,—

- (a) in sub-section (1),—
 - (i) the brackets and words “(other than agricultural land)” shall be omitted;
 - (ii) in clause (a), for the words and figures “and the Gift-tax Act, 1958”, (18 of 1958) the words, figures and brackets “the Gift-tax Act, 1958, the Super Profits Tax Act, 1963, (14 of 1963), and the Companies (Profits Surtax Act, 1964)” (7 of 1964) shall be substituted;

(b) after sub-section (2), the following sub-section shall be inserted, namely:—

(3) The provisions of sub-section (1) shall not apply in a case where the person referred to in that sub-section is any such institution, association or body, or belongs to any such class of institutions, associations or bodies, as the Board may, for reasons to be recorded in writing, notify in this behalf in the Official Gazette.”

28. *Omission of section 235.*—Section 235 of the Income-tax Act shall be omitted with effect from the 1st day of April, 1972.

29. *Amendment of Second Schedule.*—In the Second Schedule to the Income-tax Act, with effect from the 1st day of January, 1972,—

(a) in rules 82 and 83, for the words “Tax Recovery Officer”, the words “Tax Recovery Commissioner, Tax Recovery Officer” shall be substituted;

(b) in rule 86,—

(i) for sub-rule (1), the following sub-rule shall be substituted, namely:—

(1) An appeal from any original order passed by the Tax Recovery Officer under this Schedule, not being an order which is conclusive, shall lie—

(a) in the case of Tax Recovery Officer, being a Collector or an Additional Collector, to the revenue authority to which appeals ordinarily lie against the orders of a Collector under the law relating to land revenue of the State concerned;

(b) in the case of a Tax Recovery Officer, being an officer referred to in sub-clause (ii) of clause (44) of section 2, to the revenue authority to which an appeal or an application for revision would ordinarily lie, if the order passed by him where the order under the law relating to land revenue or other public demand for the time being in force in the State concerned; and

(c) in the case of a Tax Recovery Officer, being an officer referred to in sub-clause (iii) of clause (44) of section 2, to the Tax Recovery Commissioner.”

(ii) after sub-rule (3), the following sub-rule shall be inserted namely:—

(4) Notwithstanding anything contained in sub-rule (1), where a Tax Recovery Commissioner is authorised to exercise powers as such in respect of any area, then,—

(a) all appeals against the orders passed before the date of such authorisation by any Tax Recovery Officer authorised to exercise powers as such in respect of that area or an area which is included in that area, shall lie to such Tax Recovery Commissioner; and

(b) any proceeding by way of appeal against any orders referred to in clause (a) pending on the date mentioned in that clause before an appellate authority referred to in clause (a) or clause (b) of sub-rule (1) shall stand transfer-

red to such Tax Recover Commissioner for disposal.”;

(c) in rule 87, for the words “officer”, the words “Tax Recovery Commissioner, Tax Recovery Officer, or other officer” shall be substituted;

(d) in rule 92,—

(i) in sub-rule (1), for the words “Tax Recovery Officer”, the words “Tax Recovery Commissioners, Tax Recovery Officers” shall be substituted;

(ii) in sub-rule (2), in clause (a), for the words “Tax Recovery Officers”, the words “Tax Recovery Commissioners or Tax Recovery Officers” shall be substituted.

30. *Amendment of Sixth Schedule.*—In the Sixth Schedule to the Income-tax Act, with effect from the 1st day of April, 1972,—

(a) for the brackets, words, figures and letters “[See sections 80B(7), 80 I and 80M]”, the following shall be substituted, namely:—

“[See sections 80B (7) and 80I]”;

(b) in item (2), the word “Aluminium”, shall be omitted;

(c) item (10), (12), (14), (18) and (20) shall be omitted.

CHAPTER IV WEALTH-TAX

31. *Amendment of section 4.*—In section 4 of the Wealth-tax Act, 1957 (27 of 1957), (hereinafter referred to as the Wealth-tax Act), with effect from the 1st day of April, 1972,—

(a) in sub-section (1),—

(i) in the proviso to clause (a), for the words, figures and letters “after the 31st day of March, 1964”, the words, figures and letters “after the 31st day of March, 1964, but before the 1st day of April, 1972” shall be substituted;

(ii) in clause (b), for the words “member of an association of persons”, the words and brackets “member of an association of persons (not being a co-operative housing society)” shall be substituted;

(b) after sub-section (1), the following sub-section shall be inserted, namely:—

(1A) Where, in the case of an individual being a member of a Hindu undivided family, any property having been the separate property of the individual has, at any time after the 31st day of December, 1969, been converted by the individual into property belonging to the family through the act of impressing such separate property with the character of property belonging to the family or throwing it into the common stock of the family (such property being hereinafter referred to as the converted property), then, notwithstanding anything contained in any other provision of this Act or in any other law for the time being in force, for the purpose of computing the net wealth of the individual under this Act for any assessment year commencing on or after the 1st day of April, 1972,—

(a) the individual shall be deemed to have transferred the converted property, through the family, to the members of the family for being held by them jointly;

(b) the converted property or any part thereof, in so far as it is attributable to the interest of the individual in the property of the family, shall be deemed to be assets belonging to the individual and not to the family;

(c) any part of the converted property in so far as it is attributable to the interest of the spouse or any minor child of the individual in the property of the family and where there is a partition (partial or total) amongst the members of the family, the converted property or any part thereof which is received by the spouse or minor child on such partition shall be deemed to be assets transferred indirectly by the individual to the spouse or minor child and the provisions of sub-section (1) shall, so far as may be, apply, accordingly:

Provided that the property referred to in clause (b) or clause (c) shall, on being included in the net wealth of the individual, be excluded from the net wealth of the family or, as the case may be, the spouse or minor child of the individual.;

(c) after sub-section (6) and before the *Explanation*, the following sub-section shall be inserted, namely:—

"(7) Where the assessee is a member of an association of persons, being a co-operative housing society, and a building or part thereof is allotted or leased to him under a house building scheme of the society, the assessee shall, notwithstanding anything contained in this Act or any other law for the time being in force, be deemed to be the owner of such building or part and the value of such building or part shall be included in computing the net wealth of the assessee; and, in determining the value of such building or part, the value of any outstanding instalments of the amount payable under such scheme by the assessee to the society towards the cost of such building or part and the land appurtenant thereto shall, whether the amount so payable is described as such or in any other manner in such scheme, be deducted as a debt owed by him in relation to such building or part.;"

(d) in the *Explanation*,—

(i) in clause (a), the word "and" occurring at the end shall be omitted;

(ii) after clause (b), the following clauses shall be inserted, namely:—

(c) the expression "property" includes any interest in property, movable or immovable, the proceeds of sale thereof and any money or investment for the time being representing the proceeds of sale thereof and where the property is converted into any other property by any method, such other property; and

(d) the expressions "interest of the individual in the property of the family" and "interest of the spouse or any minor child of the individual in the property of the family" mean, respectively, the

proportion in which the individual or, as the case may be, the spouse or minor child would be entitled to share the property of the family if there had been a total partition in the family as on the valuation date of the family relevant to the assessment year for which the individual is to be assessed under sub-section (1A).".

32. *Amendment of section 5.*—In section 5 of Wealth-tax Act, *—*

(a) in sub-section (1),—

(i) in clause (ib), the words "and exclusively used by him for residential purposes" shall be omitted with effect from the 1st day of April, 1972;

(ii) in clause (viii) after the words "articles intended for the personal or household use of the assessee", the words "but not including jewellery" shall be inserted, and shall be deemed to have been inserted, with effect from the 1st day of April, 1963;

(iii) in clause (viii) as so amended, the following provisions and *Explanations* shall be inserted at the end with effect from the 1st day of April, 1972, namely:—

Provided that the furniture, utensils or other articles are neither made wholly or partly of, nor contain (whether by way of embedding, covering or otherwise), gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals:

Provided further that nothing in this clause shall operate to exclude from the net wealth of the assessee any conveyance or conveyances to the extent the value or the aggregate value thereof exceeds the sum of twenty-five thousand rupees.

Explanation 1.—For the purposes of this clause and clause (xiii), "jewellery" includes—

(a) ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more of such precious metals, whether or not containing any precious or semi-precious stone, and whether or not worked or sewn into any wearing apparel;

(b) precious or semi-precious stones, whether or not set in any furniture, utensil or other article or worked or sewn into any wearing apparel.

Explanation 2.—For the purposes of this clause, "conveyance" means any motor car or other mechanically propelled vehicle, aircraft or boat;'

(iv) in clause (xx) for the words, figures and letters "after the 31st day of March, 1964", the words, figures and letters "after the 31st day of March, 1964, but before the 1st day of June, 1971", shall be substituted with effect from the 1st day of April, 1972;

(v) after clause (xxvii), the following clauses shall be inserted with effect from the 1st day of April, 1972, namely:—

"(xxviii) any shares held by the assessee in any co-operative society;

- (xxix) any deposits with a co-operative society, not being deposits referred to in clause (xxvi) or clause (xxx), made by a member of the society;
- (xxx) any deposits with a co-operative housing society made by a member of the society to whom a building or part thereof is allotted or leased under a house building scheme of the society, where such deposits have been made under such scheme;
- (b) in sub-sections (1A) and (3), for the brackets, figures and word "(xxvi), and (xxvii)", the brackets, figures and word "(xxvi), (xxvii), (xxviii), and (xxix)" shall be substituted with effect from the 1st day of April, 1972.

33. *Amendment of section 18.*—In section 18 of the Wealth-tax Act, with effect from the 1st day of April, 1972,—

- (a) in clause (i) of sub-section (1), for sub-clauses (A) and (B), the following sub-clauses shall be substituted, namely:—
 - "(A) the net wealth assessed under section 16 as reduced by the amount specified in sub-section (1A), or
 - (B) the net wealth assessed under section 17, where assessment has been made under that section, as reduced by—
 - (1) the net wealth, if any, assessed previously under section 16 or section 17; or
 - (2) the amount specified in sub-section (1A), whichever is greater";
- (b) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) The amount referred to in sub-clause (A) and sub-clause (B) (2) of clause (i) of sub-section (1) shall be,—

 - (a) in the case of an individual, Rs. 1,00,000;
 - (b) in the case of a Hindu undivided family, Rs. 2,00,000; and
 - (c) in the case of a company, Rs. 5,00,000."

34. *Amendment of section 21.*—In section 21 of the Wealth-tax Act, in sub-section (4), with effect from the 1st day of April, 1972,—

- (a) in clause (a) and in the proviso, the words "in the case of an individual" shall be omitted;
- (b) the following *Explanation* shall be inserted at the end, namely:—

Explanation.—Notwithstanding anything contained in section 5, in computing the net wealth for the purposes of this sub-section in any case, not being a case referred to in the proviso, any assets referred to in clauses (xv), (xvi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), (xxviii), and (xxix) of sub-section (1) of that section shall not be excluded."

35. *Amendment of section 32.*—In section 32 of the Wealth-tax Act, in *Explanation II*, for the words "Tax Recovery Officer and the Tax Recovery Commissioner referred to in the Income-tax Act or the rules made thereunder shall be deemed to be the Tax Recovery Officer and the Tax Recovery Commissioner," the words "Tax Recovery Commissioner and the Tax Recovery Officer referred to in the Income-tax Act shall be deemed to be the Tax Recovery Commissioner and the Tax Recovery Officer" shall be substituted with effect from the 1st day of January, 1972.

36. *Amendment of Schedule.*—In the Schedule to the Wealth-tax Act, with effect from the 1st day of April 1972, in Part I—

- (a) in Paragraph A,—

- (i) for items (1) and (2), the following item shall be substituted namely:—

Rate of tax

"(1) In the case of every individual or Hindu undivided family—

(a) where the net wealth does not exceed Rs. 5,00,000 1 per cent of the net wealth:

(b) Where the net wealth exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000 Rs. 5,000 plus 2 per cent of the amount by which the net wealth exceed Rs. 5,00,000:

(c) where the net wealth exceeds Rs. 10,00,000 but does not exceed Rs. 15,00,000 Rs. 15,000 plus 3 per cent of the amount by which the net wealth exceeds Rs. 10,00,000;

(d) where the net wealth exceeds Rs. 15,00,000 Rs. 30,000 plus 8 per cent of the amount by which the net wealth exceeds Rs. 15,00,000:

Provided that for the purposes of this items,—

(i) no wealth-tax shall be payable where net wealth does not exceed the following limit, namely:—

(A) Rs. 1,00,000, in the case of an individual;

(B) Rs. 2,00,000, in the case of a Hindu undivided family;

(ii) the wealth-tax payable shall, in no case, exceed 10 per cent of the amount by which the net wealth exceeds the limit specified in sub-clause (A) or, as the case may be, sub-clause (B) of clause (i) of this proviso.";

(ii) item (3) shall be re-numbered as item (2);

(b) in Paragraph B, for the word, brackets and figures "item (3)", wherever they occur, the word, brackets and figure "item (2)" shall be substituted.

CHAPTER V

OTHER DIRECT TAXES

37. *Amendment of Act 18 of 1958.*—In the Gift-tax Act, 1958,—

(a) in section (2), in clause (xii), for the words and figure "includes the transfer of any property deemed to be a gift under section 4", the words and figure "includes the transfer or conversion of any property referred to in section 4, deemed to be a gift under that section" shall be substituted with effect from the 1st day of April, 1972;

(b) section 4 shall with effect from the 1st day of April, 1972, be re-numbered as sub-section (1) thereof and after sub-section (1) as so re-numbered the following sub-section shall be inserted with effect from that day, namely:—

"(2) Where, in the case if an individual being a member of a Hindu undivided family,

any property having been the separate property of the individual has been converted by the individual into property belonging to the family through the act of impressing such separate property with the character of property belonging to the family or throwing into the common stock of the family (such property being hereafter in this sub-section referred to as the converted property), then, notwithstanding anything contained in any other provision of this Act or any other law for the time being in force, for the purpose of computation of the taxable gifts made by the individual, the individual shall be deemed to have made a gift of so much of the converted property as the members of the Hindu undivided family other than such individual would be entitled to, if a partition of the converted property had taken place immediately after such conversion.”:

(c) in section 5, in sub-section (1),

- (i) in clause (v), for the word and figures “section 88”, the word, figures and letter “section 80G” shall be substituted, and shall be deemed to have been substituted with effect from the 1st day of April, 1968;
- (ii) in clause (va), in sub-clause (i) for the words, Brackets and figures “sub-section (6) of section 88 of the Income-tax Act, 1961 (43 of 1961), the words, brackets, letters and figures clause (b) of sub-section (2) of section 80G of the Income-tax Act” shall be substituted, and shall be deemed to have been substituted with effect from the 1st day of April 1968;
- (d) in section 33, in *Explanation II*, for the words “Tax Recovery Officer and the Tax Recovery Commissioner referred to in the Income-tax Act or the rules made thereunder shall be deemed to be the Tax Recovery Officer and the Tax Recovery Commissioner”, the words “Tax Recovery Commissioner and the Tax-Recovery Officer referred to in the Income-tax Act shall be deemed to be the Tax Recovery Commissioner and the Tax Recovery Officer” shall be substituted with effect from the 1st day of January, 1972;

(e) in section 45, after *Explanation 2*, the following *Explanation* shall be inserted, namely:—

“Explanation 3.— For the removal of doubts, it is hereby declared the exemption admissible under clause (e) in relation to gifts made by an institution or fund referred to in that clause shall not be denied merely on either or both of the following grounds, namely:—

- (i) that, subsequent to the gift, any part of the income of the institution or fund has become chargeable to tax due to non-compliance with any of the provisions of section 11 of the Income-tax Act;
- (ii) that, under clause (e) of sub-section (1) of section 13 of the Income-tax Act, the exemption under section 11 of that Act is denied to the institution or fund in relation to any income arising to it from any investment referred to in

clause (h) of sub-section (2) of section 13 of the said Act where the aggregate of the funds invested by it in a concern referred to in the said clause (h) does not exceed five per cent of the capital of that concern.”

38. *Amendment of Act 7 of 1964.*—In the Companies (Profits) Surtax Act, 1964,—

- (a) in section 18, for the figures and brackets “2(44)”, the figures, brackets, letter, and word “2 (43B) and (44)” shall be substituted with effect from the 1st day of January, 1972;
- (b) for the Third Schedule, the following Schedule shall be substituted with effect from the 1st day of April, 1972, namely:—

“THE THIRD SCHEDULE

(See section 4)

RATES OF SURTAX

Surtax shall be charged on the amount (hereinafter referred to as the chargeable amount) by which the chargeable profits exceed the amount of the statutory deduction at the following rates, namely:—

- (i) on so much of chargeable amount as does not exceed five per cent of the amount of capital as computed in accordance with the Second Schedule. 25 per cent;
- (ii) on the balance, if any of the chargeable amount 30 per cent.”

CHAPTER VI

INDIRECT TAXES

39. *Amendment of Act 32 of 1934.*—The Indian tariff Act, 1934 (hereinafter referred to as the Tariff Act.) shall be amended in the manner specified in the Second Schedule.

40. *Amendment of Act 1 of 1944.*—In the Central Excises Salt Act, 1954, in the First Schedule,—

- (i) for Item No. 1E, the following Item shall be substituted, namely:—

“IE GLUCOSE AND DEXTROSE Ten per cent *ad valorem.*”;

(1) Glucose in whatever form, including liquid glucose, dextrose mono-hydrate and anhydrous dextrose.

(2) Preparations of glucose and dextrose in which the reducing sugars expressed as anhydrous dextrose amount to more than eighty per cent by weight.

- (ii) after Item No. 1E, the following Item shall be inserted, namely:—

“1F MAIDA—

“Maida” means the product of wheat known commercially as maida obtained by milling cleaned, hard or soft wheat or blends thereof in a roller flour mill. Ten paise per kilogram.”;

(iii) In item No. 6, for the entry in the third column, the entry "Nine hundred and twenty rupees per kilolitre at fifteen degrees of Centigrade thermometer" shall be substituted;

(iv) for Item No. 11A, the following Item shall be substituted namely:—

"11A ALL PRODUCTS DERIVED FROM REFINING OF CRUDE PETROLEUM OR SHALE (WHETHER GASEOUS, LIQUID, SEMI-SOLID, OR SOLID IN FORM), NOT OTHERWISE SPECIFIED INCLUDING REFINERY GASES, LUBRICATING OIL AND GREASES, WAXES AND COKE—

(1) Mineral turpentine Twenty per cent *ad valorem* plus one hundred rupees per metric tonne.

(2) Liquified petroleum Two hundred and fifty rupees per metric tonne.

(3) Others Twenty per cent *ad valorem*."

(v) After Item No. 11A as so amended, the following Items shall be inserted, namely:—

"11B COMPOUNDED LUBRICATING OILS AND GREASES, THAT IS TO SAY, LUBRICATING OILS AND GREASES OBTAINED BY COMPOUNDING OF MINERAL OILS WITH ANY OTHER INGREDIENTS.

Explanation.—The expression "mineral oil" has the meaning assigned to it in

Explanation I to Item No. 6.

"11C CALCINED PETROLEUM COKE" Twenty per cent *ad valorem*;

(vi) for Item No. 14AA, the following Item shall be substituted, namely:—

"14AA CHEMICALS, Ten per cent *ad valorem*." THE FOLLOWING, NAMELY:—

(1) Calcium carbide.

(2) Bleaching paste, and bleaching powder.

(3) Sodium hydrosulphite.

(4) Bicarbonate of soda.

(5) Bichromates of potassium or sodium.

(6) Hydrogen per oxide.

(7) Potassium permanaganate.

(vii) for Item No. 14F, the following Item shall be substituted, namely:—

"14F COSMETICS AND TOILET PREPARATIONS NOT CONTAINING ALCOHOL OR OPIUM, Twenty Five per cent *ad valorem*.";

INDIAN HEMP, OR OTHER NARCOTIC DRUGS OR NARCOTICS. NAMELY:—

(i) Preparations for the care of the skin including beauty creams, vanishing creams, cold creams, make-up creams, cleansing creams, skin foods and tonics, face powders, baby powders, toilet powders, talcum powders and lipsticks.

(ii) Preparations for the care of the hair—

(a) Hair lotions, creams and pomades.

(b) Perfumed hair oils.

(c) Shampoos whether or not containing soap or detergent.

Explanation.—“Alcohol”, “Opium”, “Indian hemp”, “narcotic drugs” and “narcotics” have the meanings, respectively, assigned to them in section 2 of the Medicinal and Toilet Preparations (Excise Duties) Act, 1955 (16 of 1955)

(viii) in item No. 15, vor the entry in the third column against sub-item 1 (2), the entry "Twelve and a half per cent *ad valorem*." shall be substituted;

(ix) for Item No. 15A, the following Item shall be substituted, namely:—

"15A ARTIFICIAL OR SYNTHETIC RESINS AND PLASTIC MATERIALS, AND ARTICLES THEREOF—

(1) Artificial or synthetic resins and plastic materials in any form, whether solid, liquid or pasty, or as powder, granules or flakes, or in the form of moulding powders, the following, namely:—

(i) Condensation. Poly-condensation and Poly-addition products, whether or not modified or polymerised, including Phenoplasts, Aminoplasts, Alkayds, Polyamides, Polyurethane, Polyallyl Esters and other Unsaturated Polyesters;

(ii) Polymerisation and Copolymerisation products including Polyethylene and Polytetrahaloethylene, Polyisobutylene, Polystyrene, Polyvinyl chloride, Polyvinyl acetate, Polyvinyl Chloroacetate and other

Polyvinyl derivatives, Polyacrylic and Polymethacrylic derivatives, and Coumarane-Indene resins, and

(iii) Celluloseacetate (including di-tertiacetate), or Cellulose acetate butyrate and Cellulose propionate, Cellulose acetate-propionate, Ethyl cellulose and Benzyl cellulose, whether plasticised or not, and plasticised cellulose nitrate

(2) Articles made of plastics, all sorts, including tubes, rods, sheets, foils, sticks, other rectangular or profile shapes, whether laminated or not, and whether rigid or flexible, including rayflat tubings and polyvinyl chloride sheets, not otherwise specified.

(3) Polyurethane foam. Forty per cent *ad valorem*.

(4) Articles made of Forty per cent *ad valorem*: polyurethane foam.

Explanation.—For the purpose of sub-item (2), "plastics" means the various artificial or synthetic resins or plastic material included in sub-item (1).

(i) in Item No. 16A, for the entries in the third column against sub-items (1) and (2), the entries "Forty per cent *ad valorem*," and "Twenty-five per cent *ad valorem*," shall, respectively, be substituted:

(ii) after Item No. 22B, the following items shall be inserted, namely:—

"22C. LINOLEUM, THAT IS TO SAY, COVERING MATERIAL PREPARED ON A BASE OF PAPER OR PAPER BOARD (INCLUDING FELT PAPER OR FELT PAPER BOARD) OR TEXTILE FABRICS BY IMPREGNATION OR COATING WITH A LINOLEUM CEMENT.

22D. ARTICLES OF READY-TO-WEAR APPAREL (KNOWN COMMERCIALLY AS READY-MADE GARMENTS), INCLUDING UNDER GARMENTS AND BODY-SUPPORTING GARMENTS BUT EXCLUDING ARTICLES OF HOSIERY, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER.

22E. TYPEWRITER Ten per cent *ad valorem*."

AND SIMILAR RIBBONS, WHETHER OR NOT ON SPOOLS.

(xii) In item No. 23 A, for the entries in the third column against sub-items (1) and (4), the entries "fifteen per cent *ad valorem*," and "Twenty per cent *ad valorem*," shall, respectively, be substituted:

(xiii) in Item No. 23B, for the entry in the third column against each of the sub-items (1) and (4), the entry "Twenty per cent *ad valorem*," shall be substituted;

(xiv) after Item No. 23C, the following item shall be inserted, namely:—

"23D. MOSAIC TILES, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER.

Explanation.—For the purposes of this item, "mosaic tiles" means tiles known commercially as mosaic tiles.

(xv) in Item No. 27, after sub-item (e) the following sub-item shall be inserted, namely:—

(f) Containers made of Twenty-five per cent aluminium.

Explanation.—"Containers" means containers ordinarily intended for packaging of goods for sale, including casks, drums, cans, boxes, gas cylinders and pressure containers, whether in assembled or unassembled condition, and containers known commercially as flattened or folded containers.

(xvi) after Item No. 30A, the following item shall be inserted, namely:—

"30B. MOTOR STAR- Ten per cent *ad valorem*."

(xvii) in Item No. 32, for the entries in the third column against sub-items (1), (2), (3) and (4), the entries "Twenty per cent *ad valorem*," "Thirty per cent *ad valorem*," "Ten per cent *ad valorem*," and "Twenty-five per cent *ad valorem*," shall, respectively, be substituted:

(xviii) for Item No. 33, the following items shall be substituted, namely:—

"33. ELECTRIC FANS, ALL SORTS—

(1) Table, cabin, carriage, pedestal and air circulator fans, of a diameter not exceeding 40.6 centimetres.

(2) Those designed for use in an industrial system as parts indispensable for its operation and have been given for that purpose some special shape or quality which would not be

Ten per cent *ad valorem*.

essential for their use for any other purpose.

(3) Not, otherwise specified. *Ten per cent ad valorem.*

(xix) after Item No. 33D, the following Item shall be inserted, namely:—

33E. ELECTRICITY SUPPLY METRES—

Electricity supply metres means meters for measuring and registering the amount of electricity consumed in ampere hours or multiples thereof, or the amount of electric energy consumed in watt hours or multiples thereof.

(xx) after Item No. 34, the following Items shall be inserted, namely:—

34A. PARTS AND ACCESSORIES OF MOTOR VEHICLES, NOT OTHERWISE SPECIFIED.

Explanation.—The expression "Motor vehicles" has the meaning assigned to it in Item No. 34.

34B. WORKS TRUCKS, MECHANICALLY PROPELLED, USED FOR SHORT DISTANCE TRANSPORT OF HANDLING OF GOODS, THE FOLLOWING, NAMELY:

- (1) Forklift trucks.
- (2) Platform trucks.

(xxi) after Item No. 37A, the following Items shall be inserted, namely:—

37B. CINEMATOGRAPH PROJECTORS.

37C. PHOTOGRAPHIC CAMERAS.

(xxii) in each of the Items Nos. 41 and 42, for the entry in the third column, the entry "Two paise each" shall be substituted:

(xxiii) Item No. 44 shall be omitted;

(xxiv) for Item No. 46, the following Item shall be substituted, namely:—

46. METAL CONTAINERS NOT ELSEWHERE SPECIFIED.

Explanation.—The expression "containers" has the meaning assigned to it in the *Explanation* to item No. 27.

(xxv) after Item No. 48, the following Items shall be inserted, namely:—

49. ROLLING BEARINGS, THAT IS TO SAY, BALL OR ROLLER BEARINGS, ALL SORTS.

50. WELDING ELECTRODES, ALL SORTS.

51. COATED ABRA-

Ten per cent ad valorem.

SIVES AND GRINDING WHEELS, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER, THE FOLLOWING, NAMELY:—

(1) Natural or artificial abrasive powder or grain on a base of woven fabric, of paper, of paper board or of other materials, whether or not cut to shape or sewn or otherwise made up.

(2) Grinding wheels and the like (including grinding, sharpening, polishing, trueing and cutting wheels, heads, discs and points), of natural stone agglomerated or not), of agglomerated natural or artificial abrasives, or of pottery, with or without cores, shanks, sockets, axles and the like of other materials, but not mounted on frame-works; segments and other finished parts of such wheels, of natural stone (agglomerated or not), of agglomerated natural or artificial abrasives, or of pottery.

Explanation.—The expression "grinding wheels and the like" and "segments and other finished parts of such wheels" shall mean those used on machine tools, electro mechanical or pneumatic hand tools, for the trimming, polishing, sharpening, trueing or cutting of metals, stone, glass, plastics, ceramics, rubber, leather, mother of pearl, ivory and the like.

52. BOLTS AND NUTS, THREADED OR TAPPED, AND SCREWS, OF BASE METAL OR ALLOYS THEREOF, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER.

Explanation.—The expression "bolts and nuts, threaded or tapped, and screw" used in this Item shall include boltends, screws studs, screw studing, self-tapped screws, screw hooks and screw rings.

Ten per cent ad valorem.

53. ZIP OR SLIDE
FASTENERS AND PARTS
THEREOF

(1) Zip or Slide Fasteners. Twenty per cent *ad valorem*.
(2) Parts of Zip or Slide Fasteners. Twenty-five per cent *ad valorem*.

54. PRESSURE COOKERS

"Pressure cookers" means enclosed cooking vessels for use with an external heat source, capable of maintaining working steam pressure, known commercially as pressure cookers.

55. VACUUM FLASKS
AND OTHER VACUUM
VESSELS AND PARTS
THEREOF

(1) Vacuum flask and other vacuum vessels. Fifteen per cent *ad valorem*.
(2) Parts of vacuum flasks and other vacuum vessels. Twenty per cent *ad valorem*.

56. PLAYING CARDS

57. CAMPHOR

58. MENTHOL

59. ELECTRIC INSULATING TAPE, IN OR IN REFRACTION OF WHICH ANY TATION TO THE MANUFACTURE IS ORDINARILY CARRIED ON WITH THE AID OF POWER

60. ADHESIVE TAPE, ALL SORTS, NOT ELSEWHERE SPECIFIED, INCLUDING CELLULOSE ADHESIVE TAPE AND PAPERBACKED ADHESIVE TAPE, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER.

41. *Amendment of Act 58 of 1957.* In the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957,

(i) in Item No. 4, under "11. Manufactured tobacco —", for the entry in the third column against sub-item (2), the entry "Seventy-five per cent *ad valorem*" shall be substituted;
(ii) in Item No. 19, for sub-item 1 (2) the following sub-item shall be substituted, namely:
(2) Others

(a) Cotton fabrics, 25 paise per square metre, superfine
(b) Cotton fabrics, 15 paise per square metre, fine
(c) Cotton fabrics, 6 paise per square metre

medium-A

(d) Cotton fabrics, 6 paise per square metre.

medium-B

(e) Cotton fabrics, 4 paise per square metre.

coarse

(f) Cotton fabrics, 25 paise per square not otherwise metre.".

specified.

42. *Amendment of Act 27 of 1958.*—In section 3 of the Mineral Products (Additional Duties of Excise and Customs) Act, 1958, in sub-section (1), in the Table, for the entry in the second column against item 3, the entry "Five hundred rupees per kilolitre" at fifteen degrees of Centigrade thermometer" shall be substituted.

CHAPTER VII
FOREIGN TRAVEL TAX

43. *Extent and commencement.*—(1) The provisions of this Chapter extend to the whole of India except the State of Jammu and Kashmir.

(2) They shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

44. *Definitions.*—In this Chapter, unless the context otherwise requires—

(a) "aircraft" means any aircraft as defined in section 2 of the Aircraft Act, 1934, which is used (whether exclusively or not) for the carriage of passengers;

(b) "carrier" means the person or authority undertaking the carriage of a passenger on an international journey and includes any agent, representative or other person acting on behalf of such person or authority;

(c) "customs port" and "customs airport" mean respectively, a port or airport appointed as such under clause (a) of section 7 of the Customs Act 1962 (52 of 1962);

(d) "fare" means the total amount of all charges of whatever nature (including charges, if any, for provision of food or accommodation) payable to the carrier by or on behalf of a passenger in respect of his international journey;

(e) "international journey", in relation to a passenger, means—

(i) his journey from the last customs port or customs airport of departure of the ship or aircraft in the territories to which this Chapter extends to a place outside India, and includes further journeys by such passenger outside India by the same or different carriers;

(ii) his journey from a place outside India to the first customs port or customs airport of arrival of the ship or aircraft in the said territories,

irrespective of whether the journey commences or terminates at such customs port or customs airport;

(f) "passenger" means any person travelling on board a ship or an aircraft on an international journey except—

(i) a person employed or engaged in any capacity on board the ship or aircraft on the business thereof;

(ii) a person on board the ship or aircraft either in pursuance of obligations laid upon the master, captain or other person in charge of the ship or aircraft to carry ship-wrecked or distressed or other persons or by reason

of any circumstances which neither the master or captain or other person in charge of the ship or aircraft nor the charterer, if any, could have prevented or forestalled;

(g) "ship" means a ship used (whether exclusively or not) for the carriage of passengers.

45. *Foreign travel tax.*—(1) With effect from the date of commencement of this Chapter, there shall be levied and paid to the Central Government in respect of every international journey by a passenger, where the fare for such journey is paid or is payable in Indian currency, a tax (hereafter in this Chapter referred to as the foreign travel tax) at the rate of fifteen per cent of the fare paid or payable by such passenger for such journey.

Explanation.—When a passenger performs an international journey at a concessional rate or without being charged any fare, the fare ordinarily payable for the journey shall, for the purposes of this section, be deemed to be the fare payable by such passenger.

(2) In accordance with rules made under this Chapter, the foreign travel tax shall be collected by the carrier undertaking the carriage of the passengers, or, where the tickets or other relevant documents for such carriage are not issued by such carrier, by the carrier to whom such tickets or other documents relate, as an addition to the fares payable by such passengers and shall be paid to the Central Government.

46. *Power to exempt.*—Notwithstanding anything contained in this Chapter, the Central Government may—

(a) by notification in the Official Gazette, and subject to such conditions and limitations as may be specified therein, exempt, wholly or to such extent as may be specified in the notification, any class or classes of passengers or any category or categories of passengers under any such class from the payment of foreign travel tax if that Government is satisfied that it is necessary so to do in the public interest;

(b) by order in writing, and subject to such conditions and limitations as may be specified therein, exempt, wholly or to such extent as may be specified in the order, any passenger from the payment of the said tax if that Government is satisfied, for reasons to be recorded in the order, that it is necessary or expedient so to do, having regard to the special circumstances of his case and the purpose of his journey.

47. *Penalty.*—Any carrier contravening the provisions of sub-section (2) of section 45 and any person committing a breach of any rule or regulation made under this Chapter shall be liable to a penalty not exceeding five thousand rupees and such penalty may be adjudged by such authority and in such manner as may be specified in the rules made under this Chapter.

48. *Protection of action taken in good faith.*—No suit or other legal proceeding shall lie against the Central Government and no suit, prosecution or other legal proceeding shall lie against any officer or authority of that Government for anything in good faith done or intended to be done in pursuance of this Chapter or the rules and regulations made thereunder.

49. *Powers to make rules.*—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Chapter.

(2) In particular, and without prejudice to the generally of the foregoing power, such rules may provide for—

(a) the assessment and collection of the foreign travel tax including the charges for collection payable

to carriers, the authorities by whom adjudication of penalty and other functions under this Chapter are to be discharged, the issue of notices requiring payment of such tax, the manner in which such tax shall be payable, the recovery of any such tax due to the Central Government in the same manner as an arrear of land revenue or in any other manner, and the procedure for claiming refund of any amount paid under this Chapter;

(b) the powers of authorities referred to in clause (a) to enter, inspect and search any ship or aircraft or any premises of a carrier and to examine any tickets, books of account, returns or other documents for the purpose of carrying out any duty imposed on any such authority by or under this Chapter:

Provided that the provisions of the Code of Criminal Procedure, 1898 (5 of 1898), relating to searches shall, so far as they are applicable, apply in relation to searches under rules made under this clause;

(c) the procedure for adjudication of penalty;

(d) appeal and revision in the case of any order made under this Chapter, the manner in which and the time within which appeal may be preferred or application for revision may be made and the fees payable therefor;

(e) any other matter which is to be, or may be, provided for by rules under this Chapter.

50. *Power to make regulations.*—(1) The Central Board of Excise and Customs constituted under section 3 of the Central Boards of Revenue Act, 1963 (54 of 1963), may, by notification in the Official Gazette, make regulations consistent with this Chapter and the rules made thereunder, generally to carry out the purposes of this Chapter.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for—

(a) the returns and other particulars and information which carriers shall furnish, the authorities to whom, and the intervals at which, such returns, particulars and information shall be furnished;

(b) supplemental matters arising out of any rule made by the Central Government under this Chapter.

51. *Rules and notifications to be laid before Parliament.*—Every rule made under this Chapter and every notification issued under section 46 shall be laid as soon as may be after it is made or issued before each Houses of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule should not be made or the notification should not be issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

CHAPTER VIII

MISCELLANEOUS

52. *Amendment of Act 6 of 1898.*—In the First Schedule to the Indian Post Office Act, 1898, for the sub-heading "Parcels" and the entries thereunder, the following shall be substituted, namely:—

"Parcels

For a weight not exceeding four One rupee.

hundred grams

For every four hundred grams or fraction thereof, exceeding four hundred grams

One rupee".

53. *Amendment of Act 47 of 1961.*—In the Deposit Insurance Corporation Act, 1961, in section 30, for the words "nine accounting years", the words "fourteen accounting years" shall be substituted.

54. *Housing and urban Development Finance Corporation Private Ltd., to be exempt for a certain period from liability to pay income-tax and surtax.*—Notwithstanding anything contained in the Income-tax Act or the Companies (Profits) Surtax Act, 1964 (7 of 1964), the Housing and Urban Development Finance Corporation Private Ltd., (a Government company as defined in section 617 of the Companies Act, 1956) (1 of 1956), shall not be liable to pay any tax, under either of the two Acts first mentioned, on its income, profits or gains for the previous year relevant to the assessment year commencing on the 1st day of April, 1971 and for the nine previous years next following that previous year.

55. *Repeal.* Section 2 of the Finance Act, 1971 (14 of 1971), is hereby repealed and shall be deemed never to have been enacted.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGES ON INCOME-TAX

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,

Rates of income-tax

(1) where the total income does not exceed Rs. 5,000 Nil;

(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000

10 per cent of the amount by which the total income exceeds Rs. 5,000;

(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000

Rs. 500 plus 17 per cent of the amount by which the total income exceeds Rs. 10,000;

(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000

Rs. 1,350 plus 23 per cent of the amount by which the total income exceeds Rs. 15,000;

(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000

Rs. 2,500 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000;

(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000

Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 25,000;

(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000

Rs. 6,000 plus 50 per cent of the amount by which the total income exceeds Rs. 30,000;

(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000

Rs. 11,000 plus 60 per cent of the amount by which the total income exceeds

Rs. 40,000;

Rs. 23,000 plus 70 per cent of the amount by which the total income exceeds Rs. 60,000;

Rs. 37,000 plus 75 per cent of the amount by which the total income exceeds Rs. 80,000;

Rs. 52,000 plus 80 per cent of the amount by which the total income exceeds Rs. 10,000;

Rs. 1,32,000 plus 85 per cent of the amount by which the total income exceeds Rs. 2,00,000;

(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000

(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000

(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000

(12) where the total income exceeds Rs. 2,00,000

Provided that for the purposes of this Paragraph, in the case of a Hindu undivided family which at any time during the previous year satisfies either of the following two conditions, namely:

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age, or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family.

(i) no income-tax shall be payable on a total income not exceeding Rs. 7,000;

(ii) where the total income exceeds Rs. 7,000 but does not exceed Rs. 7,660, the income-tax payable thereon shall not exceed forty per cent of the amount by which the total income exceeds Rs. 7,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax.

Paragraph B

In the case of every co-operative society, —

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000

15 per cent of the total income;

(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000

Rs. 1,500 plus 25 per cent of the amount by which the total income exceeds Rs. 10,000;

(3) where the total income exceeds Rs. 20,000

Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax.

Paragraph C

In the case of every registered firm, —

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000

Nil;

(2) where the total income exceeds 4 per cent of the amount

come exceeds Rs. 10,000 but does not exceed Rs. 25,000

(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000

(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000

where the total income exceeds Rs. 1,00,000

by which the total income exceeds Rs. 10,000;

Rs. 600 *plus* 6 per cent of the amount by which the total income exceeds Rs. 25,000;

Rs. 2,100 *plus* 12 per cent of the amount by which the total income exceeds Rs. 50,000;

Rs. 8,100 *plus* 20 per cent of the amount by which the total income exceeds Rs. 1,00,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

- (a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent of such total income, a surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified;
- (b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent of the amount of income-tax computed at the rate hereinbefore specified; and
- (c) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—
 - (i) the amount of income-tax computed at the rate hereinbefore specified; and
 - (ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b) of this sub-paragraph.

Explanation.—For the purposes of this Paragraph, “registered firm” includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority.—

Rate of income-tax

On the whole of the total income. 50 per cent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

(i) on that part of its total income which consists

of profits and gains from life insurance business

(ii) on the balance, if any, of the total income

which the public are substantially interested.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

I. In the case of a domestic company—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 50,000 45 per cent of the total income;

(ii) in a case where the total income exceeds Rs. 50,000 55 per cent of the total income:

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 10,00,000 55 per cent;

(b) on the balance, if any, of the total income 60 per cent;

(ii) in any other case 65 per cent of the total income:

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent of the amount by which its total income exceeds Rs. 50,000.

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, in either case, been approved by the Central Government

50 per cent;

(ii) on the balance, if 70 per cent.

any. of the total income.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193, 194, 194A and 195 of the Income-tax Act, tax is to be deducted at the rate in force, deduction shall be made from the income subject to deduction, at the following rates:

	Income-tax	
	Rate of income-tax	Rate of surcharge
	2	3
1. In the case of a person other than a company		
(a) where the person is resident		
(i) on income by way of interest other than "Interest on securities"	10 per cent	Nil
(ii) on any other income (excluding interest payable on a tax free security)	20 per cent	per cent
(b) where the person is not resident in India		
(i) on the whole income (excluding interest payable on a tax free security)	Income-tax at 30 per cent and surcharge at 4.5 per cent of the amount of the income:	
	or	
	income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;	
	15 per cent	2.25 per cent
2. In the case of a company		
(a) where the company is a domestic company		
(i) on income by way of interest other than "Interest on securities"	20 per cent	Nil
(ii) on any other income (excluding interest payable on a tax free security)	22 per cent	Nil
(b) where the company is not a domestic company		
(i) on the income by way of dividends payable by any domestic company	24.5 per cent	Nil
(ii) on the income by way of royalties payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, and which has been ap-		

1	2	3
proved by the Central Government	50 per cent	Nil
(iii) on the income by way of fees payable by an Indian concern for rendering technical services in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964, and which has been approved by the Central Government	50 per cent	Nil
(iv) on the income by way of interest payable on a tax free security	44 per cent	Nil
(v) on any other income	70 per cent	Nil.

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "Salaries" or any payment referred to in sub-section (9) of section 80E and computing "advance tax".

In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" (not being "advance tax" in respect of any income chargeable to tax under section 164 of the Income-tax Act at the rate of sixty-five per cent) shall be so calculated, charged, deducted or computed at the following rate or rates:

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of income-tax

- (1) where the total income does not exceed Rs. 5,000.
- (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000
- (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000
- (4) where the total in-

10 per cent of the amount by which the total income exceeds Rs. 5,000;

Rs. 500 plus 17 per cent of the amount by which the total income exceeds Rs. 10,000;

Rs. 1,350 plus 23 per cent

income exceeds Rs. 15,000 but does not exceed Rs. 20,000

(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000

(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000

(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000

(8) where the total income exceeds Rs. 40,000 but does not exceed Rs. 60,000

(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000

(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000

(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000

(12) where the total income exceeds Rs. 2,00,000

of the amount by which the total income exceeds Rs. 15,000;

Rs. 2,500 plus 30 per cent of the amount by which the total income exceeds 20,000;

Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 25,000;

Rs. 6,000 plus 50 per cent of the amount by which the total income exceeds Rs. 30,000;

Rs. 11,000 plus 60 per cent of the amount by which the total income exceeds Rs. 40,000

Rs. 23,000 plus 70 per cent of the amount by which the total income exceeds Rs. 60,000;

Rs. 37,000 plus 75 per cent of the amount by which the total income exceeds Rs. 80,000;

Rs. 52,000 plus 80 per cent of the amount by which the total income exceeds Rs. 1,00,000;

Rs. 1,32,000 plus 85 per cent of the amount by which the total income exceeds Rs. 2,00,000:

Provided that for the purposes of this Paragraph, in the case of a Hindu undivided family which at any time during the previous year relevant to the assessment year commencing on the 1st day of April, 1972 satisfies either of the following two conditions, namely:—

(a) that it has at least two members entitled to claim partition who are not less than eighteen years of age, or

(b) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family,—

(i) no income-tax shall be payable on a total income not exceeding Rs. 7,000;

(ii) where the total income exceeds Rs. 7,000 but does not exceed Rs. 7,660 the income-tax payable thereon shall not exceed forty per cent of the amount by which the total income exceeds Rs. 7,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the following rates, namely:—

(a) in a case where the total income does not exceed Rs. 15,000;

(b) in any other case 15 per cent:

Provided that the amount of surcharge payable shall, in no case, exceed the aggregate of the following sums, namely:—

(i) an amount calculated at the rate of 10 per cent on the amount of income-tax on an income of Rs. 15,000, if such income had been the total income (the income of Rs. 15,000 for this purpose being

computed as if such income included income from various sources in the same proportion as the total income of the person concerned); and

(ii) 40 per cent of the amount by which the total income exceeds Rs. 15,000.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

(1) where the total income does not exceed Rs. 15 per cent of the total income:

(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000

(3) where the total income exceeds Rs. 20,000

Rs. 1,500 plus 25 per cent of the amount by which the total income exceeds Rs. 10,000;

Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent of such income-tax.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000

(2) Where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000

(3) Where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000

VII:

4 per cent of the amount by which the total income exceeds Rs. 10,000;

Rs. 600 plus 6 per cent of the amount by which the total income exceeds Rs. 25,000;

(4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000

(5) where the total income exceeds Rs. 1,00,000

Rs. 2,100 plus 12 per cent of the amount by which the total income exceeds Rs. 50,000;

Rs. 8,100 plus 20 per cent of the amount by which the total income exceeds Rs. 1,00,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

(a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so includes is not less than fifty-one per cent of such total income, a surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified;

(b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent of the amount of income-tax computed at the rate

hereinbefore specified; and

(c) a special surcharge calculated at the rate of fifteen per cent on the aggregate of the following amounts, namely:

- the amount of income-tax computed at the rate hereinbefore specified; and
- the amount of the surcharge calculated in accordance with the clause (a), or, as the case may be, clause (b) of this sub-paragraph.

Explanation.—For the purposes of this Paragraph, "registered firm" includes an unregistered firm assessed as a registered firm under clause (b) of section 183 of the Income-tax Act.

Paragraph D

In the case of every local authority.—

Rate of income-tax

On the whole of the total income. 50 per cent

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of fifteen per cent of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956. (31 of 1956)

Rates of income-tax

- on the part of its total income which consists of profits and gains from life insurance business 52.5 per cent;
- on the balance if any, of the total income applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

1. In the case of domestic company.—

(1) where the company is a company in which the public are substantially interested,

(i) in a case where 45 per cent of the total income does not exceed Rs. 50,000;

(ii) in a case where the total income exceeds Rs. 50,000 55 per cent of the total income;

(2) Where the company is not a company in which the public are substantially interested, —

- in the case of an industrial company—
 - on so much of 55 per cent; the total income as does total exceed Rs. 10,00,000
 - on the balance, 60 per cent; if any, of the total income
 - in any other case 65 per cent of the total income:

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of—

- the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and
- eighty per cent of the amount by which its total income exceeds Rs. 50,000:

II. In the case of a company other than a domestic company—

- on so much of the total income as consists of—

- royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or
- fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964, and where such agreement has, in either case, been approved by the Central Government

50 per cent;
70 per cent.

- on the balance, if any, of the total income

THE SECOND SCHEDULE

(See section 39)

In the first Schedule to the Tariff Act,—

- in Item Nos. 1(1), 39(2), 46(6), 58(1), 73(15)(a), 73(15)(b), 75(4), 75(9), 75(10), 75(11), 75(12), 75(12A), 75(14) and 75(15), for the entry against each of them in the fourth column, the entry "100 per cent ad valorem" shall be substituted;
- in Item No. 5(2), for the entries in the fourth and sixth columns, the entries "100 per cent ad valorem" and 90 "per cent ad valorem," shall, respectively, be substituted;
- in Item No. 9(3), for the entries in the fourth and sixth columns against sub-item (a), the entries "Rs. 60 per kilogram" and "Rs. 60 per kilogram less 7½ per cent ad valorem" shall, respectively, be substituted;
- in Items Nos. 75(2), 75(3) and 75(13), for the entries against each of them in the fourth and

fifth columns, the entries "100 per cent *ad valorem*" and "92½ per cent *ad valorem*" shall, respectively, be substituted;

- (v) in Item No. 75(18), for the entry in the fourth column against sub-item (b) (ii), the entry "100 per cent *ad valorem*" shall be substituted;
- (vi) in Item No. 87C, for the entry in the fourth column against sub-item (i), the entry "30 per cent *ad valorem*" shall be substituted.

Assented to on 10-8-1971

THE INDIAN TELEGRAPH (AMENDMENT)
ACT, 1971
ACT No. 33 of 1971
AN
ACT

Further to amend the Indian Telegraph Act, 1885.

Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Indian Telegraph (Second Amendment) Act, 1970.

2. *Insertion of new section 6A.*—After section 6 of the Indian Telegraph Act, 1885 (13 of 1885), (hereinafter referred to as the principal Act), the following section shall be inserted, namely:—

"6A. *Power to notify rates for transmission of messages to countries outside India.*—The Central Government may, from time to time, by order, notify the rates at which, and the other conditions and restrictions subject to which, messages shall be transmitted to any country outside India.

(2) in notifying the rates under sub-section (1), the Central Government shall have due regard to all or any of the following factors, namely:—

- (a) the rates for the time being in force for transmission of messages in countries outside India;
- (b) the foreign exchange rates for the time being in force;
- (c) the rates for the time being in force for transmission of messages within India;
- (d) such other relevant factors as the Central Government may think fit in the circumstances of the case."

3. *Amendment of section 7.*—In sub-section (2) of section 7 of the principal Act, in clause (a), the words "within India" shall be inserted at the end.

4. *Omission of section 29.*—Section 29 of the principal Act shall be omitted.

Assented to on 10-8-1971.

THE MEDICAL TERMINATION OF PREGNANCY
ACT, 1971
ACT No. 34 OF 1971
AN
ACT

to provide for the termination of certain pregnancies by registered medical practitioners and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Medical Termination of Pregnancy Act, 1971.

(2) It extends to the whole of India except the State of Jammu and Kashmir.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

- (a) "guardian" means a person having the care of the person of a minor or a lunatic;
- (b) "lunatic" has the meaning assigned to it in section 3 of the Indian Lunacy Act, 1912 (4 of 1912);
- (c) "minor" means a person who, under the provisions of the Indian Majority Act 1875 (9 of 1875) is to be deemed not to have attained his majority;
- (d) "registered medical practitioner" means a medical practitioner who possesses any recognised medical qualification as defined in clause (h) of section 2 of the Indian Medical Council Act, 1956 (102 of 1956), whose name has been entered in a State Medical Register and who has such experience or training in gynaecology and obstetrics as may be prescribed by rules made under this Act.

3. *When pregnancies may be terminated by registered medical practitioners.*—(1) Notwithstanding anything contained in the Indian Penal Code, (45 of 1860), a registered medical practitioner shall not be guilty of any offence under that Code or under any other law for the time being in force, if any pregnancy is terminated by him in accordance with the provisions of this Act.

(2) Subject to the provisions of sub-section (4), a pregnancy may be terminated by a registered medical practitioner,—

- (a) where the length of the pregnancy does not exceed twelve weeks, if such medical practitioner is, or
- (b) where the length of the pregnancy exceeds twelve weeks but does not exceed twenty weeks, if not less than two registered medical practitioners are, of opinion, formed in good faith, that—
- (i) the continuance of the pregnancy would involve a risk to the life of the pregnant woman or of grave injury to her physical or mental health; or
- (ii) there is a substantial risk that if the child were born, it would suffer from such physical or mental abnormalities as to be seriously handicapped.

Explanation I.—Where any pregnancy is alleged by the pregnant woman to have been caused by rape, the anguish caused by such pregnancy shall be presumed to constitute a grave injury to the mental health of the pregnant woman.

Explanation II.—Where any pregnancy occurs as a result of failure of any device or method used by any married woman or her husband for the purpose of limiting the number of children, the anguish caused by such unwanted pregnancy may be presumed to constitute a grave injury to the mental health of the pregnant woman.

(3) In determining whether the continuance of a pregnancy would involve such risk of injury to the health as is mentioned in sub-section (2), account may be taken of the pregnant woman's actual or reasonably foreseeable environment.

(4) (a) No pregnancy of a woman, who has not attained the age of eighteen years, or, who, having attained the age of eighteen years, is a lunatic, shall be terminated except with the consent in writing of her guardian.

(b) Save as otherwise provided in clause (a), no pregnancy shall be terminated except with the consent of the pregnant woman.

4. *Place where pregnancy may be terminated.*—No termination of pregnancy shall be made in accordance with this Act at any place other than—

- (a) a hospital established or maintained by Government, or
- (b) a place for the time being approved for the purpose of this Act by Government.

3. Sections 3 and 4 when not to apply.—(1) The provisions of section 4, and so much of the provisions of sub-section (2) of section 3 as relate to the length of the pregnancy and the opinion of not less than two registered medical practitioners, shall not apply to the termination of a pregnancy by a registered medical practitioner in a case where he is of opinion, formed in good faith, that the termination of such pregnancy is immediately necessary to save the life of the pregnant woman.

(2) Notwithstanding anything contained in the Indian Penal Code, (45 of 1860), the termination of a pregnancy by a person who is not a registered medical practitioner shall be an offence punishable under that Code, and that Code shall, to this extent, stand modified.

Explanation.—For the purposes of this section, so much of the provisions of clause (d) of section 2 as relate to the possession, by a registered medical practitioner, of experience or training in gynaecology and obstetrics shall not apply.

6. Power to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules to carry out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely:—

- (a) the experience or training, or both, which a registered medical practitioner shall have if he intends to terminate any pregnancy under this Act; and
- (b) such other matters as are required to be, or may be, provided by rules made under this Act.
- (3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

7. Power to make regulations.—(1) The State Government may, by regulations, —

- (a) require any such opinion as is referred to in sub-section (2) of section 3 to be certified by a registered medical practitioner or practitioners concerned, in such form and at such time as may be specified in such regulations, and the preservation or disposal of such certificates;
- (b) require any registered medical practitioner, who terminates a pregnancy, to give intimation of such termination and such other information relating to the termination as may be specified in such regulations;
- (c) prohibit the disclosure, except to such persons and for such purposes as may be specified in such regulations, of intimation given or information furnished in pursuance of such regulation;
- (2) The intimation given and the information furnished in pursuance of a regulation made by virtue of clause (c) of sub-section (1) shall be given or furnished, as the case may be, to the Chief Medical Officer

of the State.

(3) Any person who wilfully contravenes or wilfully fails to comply with the requirements of any regulation made under sub-section (1) shall be liable to be punished with fine which may extend to one thousand rupees.

8. Protection of action taken in good faith.—No suit or other legal proceeding shall lie against any registered medical practitioner for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Act.

Assented to on 14-8-1971.

THE CENTRAL BOARD OF DIRECT TAXES (VALIDATION OF PROCEEDINGS) ACT, 1971
ACT NO. 37 OF 1971

AN
ACT

to provide for validation of certain proceedings in relation to direct taxes and for matters connected therewith.

BE it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Central Board of Direct Taxes (Validation of Proceedings) Act, 1971.

2. Validation of certain proceedings.—Notwithstanding any judgment, decree or order of any court, tribunal or any other authority, no approval, declaration, determination, recognition, direction, instruction, notification, order or rule, or other thing or action given, made, granted, issued, done or taken or purporting to have been given, made, granted, issued, done or taken by the Central Board of Direct Taxes constituted under the Central Boards of Revenue Act 1963 (54 of 1963), in the exercise of the powers or the performance of the duties entrusted to it by the Central Government or by or under any law (not being the Estate Duty Act, 1953) (34 of 1953) shall be deemed to be invalid or ever to have been invalid by reason only of the fact that such approval, declaration, determination, recognition, direction, instruction, notification, order, rule, thing or action was given, made, granted, issued, done or taken by the Chairman and other members of the said Board, either singly or jointly, without having been validly entrusted with the powers or duties in their behalf in accordance with the provisions of the aforesaid Act, 1963 or the rules made thereunder, and accordingly—

(a) all acts, proceedings or things done or taken in pursuance such approval, declaration, determination, recognition, direction, instruction, notification, order, rule, thing or action shall, or all purposes, be deemed to be, and to have always been, done or taken in accordance with law; and

(b) no suit or other proceeding shall be instituted or continued against the Government or any person or authority whatsoever on the ground that any such act, proceeding or thing was not done or taken in accordance with law.

Assented to on 15-8-71.

THE AGRICULTURAL REFINANCE CORPORATION (AMENDMENT) ACT, 1971
ACT NO. 39 OF 1971

AN
ACT

further to amend the Agricultural Refinance Corporation Act, 1963.

BE it enacted by Parliament in the Twenty-second

Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Agricultural Refinance Corporation (Amendment) Act, 1971.

2. *Amendment of section 2.*—In section 2 of the Agricultural Refinance Corporation Act, 1963 (10 of 1963), (hereinafter referred to as the principal Act), after clause (a), the following *Explanation* shall be inserted and shall be deemed always to have been inserted, namely:—

Explanation.—for the purposes of this clause, “pisciculture” includes the development of fisheries, both inland and marine, catching of fish and all activities connected therewith or incidental thereto;.

3. *Amendment of section 20.*—In section 20 of the principal Act,—

(i) in sub-section (1), after clause (b), the clause shall be inserted, namely:—

“(bb) borrow money from the Reserve Bank out of the National Agricultural Credit (Long Term Operations) Fund established under section 46A of the Reserve Bank of India Act, 1934 (2 of 1934);”

(ii) in sub-section (2) for the words, brackets and letters “and outstanding under clauses (b) and (c) of that sub-section”, the words, brackets and letters “and outstanding under clauses (b), (bb) and (c) of that sub-section” shall be substituted.

4. *Consequential amendment of Act 2 of 1934.*—In section 46A of the Reserve Bank of India Act, 1934 (2 of 1934) in sub-section (2), after clause (d) and before the *Explanation*, the following clause shall be inserted, namely:—

“(e) the making to the Agricultural Refinance Corporation of loans and advances repayable on the expiry of fixed periods not exceeding twenty years from the date of making such loan or advance.”

Assented to on 23-8-71

THE PUBLIC PREMISES (EVICTION OF UNAUTHORISED OCCUPANTS) ACT, 1971
ACT NO. 40 OF 1971

AN

ACT

to provide for the eviction of unauthorised occupants from public premises and for certain incidental matters.

BE it enacted by Parliament in the Twenty-second Year of the Republic of India as follows:—

1. *Short title, extent and commencement.*—(1) This Act may be called the Public Premises (Eviction of Unauthorised Occupants) Act, 1971.

(2) It extends to the whole of India.

(3) It shall be deemed to have come into force on the 16th day of September, 1958 except sections 11, 19 and 20 which shall come into force at once.

2. *Definitions.*—In this Act, unless the context otherwise requires,—

(a) “corporate authority” means—

(i) any company or Corporation referred to in sub-clause (1), or

(ii) the Corporation or any committee or the Authority referred to in sub-clause (2) of clause (e) of this section;

(b) “estate officer” means an officer appointed as such by the Central Government under section 3;

(c) “premises” means any land or any building or part of a building and includes,—

(i) the garden, grounds and out houses, if any, appertaining to such building or part of a building, and

(ii) any fittings affixed to such building or part of a building for the more beneficial enjoyment thereof;

(d) “prescribed” means prescribed by rules made under this Act;

(e) “public premises” means any premises belonging to or taken on lease or requisitioned by, or on behalf of, the Central Government, and includes—

(1) any premises belonging to, or taken on lease by, or on behalf of—

(i) any company as defined in section 3 of the Companies Act, 1956 (1 of 1956) in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government; and

(ii) any Corporation (not being a company as defined in section 3 of the Companies Act, 1956 (1 of 1956) or a local authority) established by or under a Central Act and owned or controlled by the Central Government; and

(2) in relation to the Union-territory of Delhi—

(i) any premises belonging to the Municipal Corporation of Delhi or any municipal committee or notified area committee, and

(ii) any premises belonging to the Delhi Development Authority whether such premises are in the possession of, or leased out by, the said Authority;

(f) “rent”, in relation to any public premises, means the consideration payable by periodically for the authorised occupation of the premises, and includes—

(i) any charge for electricity, water or any other services in connection with the occupation of the premises.

(ii) any tax (by whatever name called) payable in respect of the premises, where such charge or tax is payable by the Central Government or the corporate authority;

(g) “unauthorised occupation”, in relation to any public premises, means the occupation by any person of the public premises without authority for such occupation, and includes the continuance in occupation by any person of the public premises after the authority (whether by way of grant or any other mode of transfer) under which he was allowed to occupy the premises has expired or has been determined for any reason whatsoever.

3. *Appointment of estate officers.*—The Central Government may, by notification in the Official Gazette,

(a) appoint such persons, being gazetted officers of Government or officers of equivalent rank of the corporate authority, as it thinks fit, to be estate officers for the purposes of this Act; and

(b) define the local limits within which, or the categories of public premises in respect of which, the estate officers shall exercise the powers conferred, and perform the duties imposed, on estate officers by or under this Act.

4. *Issue of notice to show cause against order of eviction.*—(1) If the estate officer is of opinion that any persons are in unauthorised occupation of any public premises and that they should be evicted, the estate officer shall issue in the manner hereinafter provided a notice in writing calling upon all persons concerned to show cause why an order of eviction should not be made.

(2) The notice shall—

- (a) specify the grounds on which the order of eviction is proposed to be made; and
- (b) require all persons concerned, that is to say, all persons who are, or may be, in occupation of, or claim interest in, the public premises, to show cause, if any, against the proposed order on or before such date as is specified in the notice, being a date not earlier than ten days from the date of issue thereof.

(3) The estate officer shall cause the notice to be served by having it affixed on the outer door or some other conspicuous part of the public premises, and in such other manner as may be prescribed, whereupon the notice shall be deemed to have been duly given to all persons concerned.

(4) Where the estate officer knows or has reasons to believe that any persons are in occupation of the public premises, then, without prejudice to the provisions of sub-section (3), he shall cause a copy of the notice to be served on every such person by post or by delivering or tendering it to that person or in such other manner as may be prescribed.

5. *Eviction of unauthorised occupants.*—(1) If, after considering the cause, if any, shown by any person in pursuance of a notice under section 4 and any evidence he may produce in support of the same and after giving him a reasonable opportunity of being heard, the estate officer is satisfied that the public premises are in unauthorised occupation, the estate officer may make an order of eviction, for reasons to be recorded therein, directing that the public premises shall be vacated, on such date as may be specified in the order, by all persons who may be in occupation thereof or any part thereof, and cause a copy of the order to be affixed on the outer door or some other conspicuous part of the public premises.

(2) If any person refuses or fails to comply with the order of eviction within thirty days of the date of its publication under sub-section (1), the estate officer or any other officer duly authorised by the estate officer in this behalf may evict that person from, and take possession of, the public premises and may, for that purpose, use such force as may be necessary.

6. *Disposal of property left on public premises by unauthorised occupants.*—(1) Where any persons have been evicted from any public premises under section 5, the estate officer may, after giving fourteen days' notice to the persons from whom possession of the public premises has been taken and after publishing the notice in at least one newspaper having circulation in the locality, remove or

cause to be removed or dispose of by public auction any property remaining on such premises.

(2) Where any property is sold under sub-section (1), the sale proceeds thereof shall, after deducting the expenses of the sale and the amount, if any, due to the Central Government, or the corporate authority on account of arrears of rent, or damages or costs, be paid to such person or persons as may appear to the estate officer to be entitled to the same:

Provided that where the estate officer is unable to decide as to the person or persons to whom the balance of the amount is payable or as to the apportionment of the same, he may refer such dispute to the civil court of competent jurisdiction and the decision of the court thereon shall be final.

7. *Power to require payment of rent or damages in respect of public premises.*—(1) Where any person is in arrears of rent payable in respect of any public premises, the estate officer may, by order, require that person to pay the same within such time and in such instalments as may be specified in the order.

(2) Where any person is, or has at any time been, in unauthorised occupation of any public premises, the estate officer may, having regard to such principals of assessment of damages as may be prescribed, assess the damages on account of the use and occupation of such premises and may, by order, require that person to pay the damages within such time and in such instalments as may be specified in the order.

(3) No order under sub-section (1) or sub-section (2) shall be made against any person until after the issue of a notice in writing to the person calling upon him to show cause within such time as may be specified in the notice, why such order should not be made, and until his objections, if any, and any evidence he may produce in support of the same, have been considered by the estate officer.

8. *Powers of estate officers.*—An estate officer shall, for the purpose of holding any inquiry under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, (5 of 1908), when trying a suit in respect of the following matter, namely:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of documents;
- (c) any other matter which may be prescribed.

9. *Appeals.*—(1) An appeal shall lie from every order of the estate officer made in respect of any public premises under section 5 or section 7 to an appellate officer who shall be the district judge of the district in which the public premises are situate or such other judicial officer in that district of not less than ten years' standing as the district judge may designate in this behalf.

(2) An appeal under sub-section (1) shall be preferred,—

- (a) in the case of an appeal from an order under section 5, within fifteen days from the date of publication of the order under sub-section (1) of that section; and
- (b) in the case of an appeal from an order under section 7 within fifteen days from the date on which the order is communicated to the appellant.

Provided that the appellate officer may entertain the appeal after the expiry of the said period of fifteen days, if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(3) Where an appeal is preferred from an order of the estate officer, the appellate officer may stay the enforcement of that order for such period and on such conditions as he deems fit.

(4) Every appeal under this section shall be disposed of by the appellate officer as expeditiously as possible.

(5) The costs of any appeal under this section shall be in the discretion of the appellate officer.

(6) For the purposes of this section, a presidency-town shall be deemed to be a district and the chief judge or the principal judge of the city civil court therein shall be deemed to be the district judge of the district.

10. Finality of orders.—Save as otherwise expressly provided in this Act, every order made by an estate officer or appellate officer under this Act shall be final and shall not be called in question in any original suit, application or execution proceeding and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

11. Offences and penalty.—(1) If any person who has been evicted from any public premises under this Act again occupies the premises without authority for such occupation, he shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to one thousand rupees or with both.

(2) Any magistrate convicting a person under sub-section (1) may make an order for evicting that person summarily and he shall be liable to such eviction without prejudice to any other action that may be taken against him under this Act.

12. Power to obtain information.—If the estate officer has reason to believe that any persons are in unauthorised occupation of any public premises, the estate officer or any other officer authorised by him in this behalf may require those persons or any other persons to furnish information relating to the names and other particulars of the persons in occupation of the public premises and every person so required shall be bound to furnish the information in his possession.

13. Liability of heirs and legal representatives.—(1) Where any person against whom any proceeding for the determination of arrears of rent or for the assessment of damages is to be or has been taken dies before the proceeding is taken or during the pendency thereof, the proceeding may be taken or, as the case may be, continued against the heirs or legal representatives of that person.

(2) Any amount due to the Central Government or the corporate authority from any person whether by way of arrears of rent or damages or costs shall, after the death of the person, be payable by his heirs or legal representatives but their liability shall be limited to the extent of the assets of the deceased in their hands.

14. Recovery of rent etc. as an arrear of land revenue.—If any person refuses or fails to pay the arrears of rent payable under sub-section (1) of section 7 or the damages payable under sub-section (2) of that section or the costs awarded to the Central Government or the corporate authority under sub-section (5) of section 9 or any portion of such rent, damages or costs, within the time, if any,

specified therefor in the order relating thereto, the estate officer may issue a certificate for the amount due to the Collector who shall proceed to recover the same as an arrear of land revenue.

15. Bar of jurisdiction.—No court shall have jurisdiction to entertain any suit or proceeding in respect of the eviction of any person who is in unauthorised occupation of any public premises or the recovery of the arrears of rent payable under sub-section (1) of section 7 or the damages payable under sub-section (2) of that section or the costs awarded to the Central Government or the corporate authority under sub-section (5) of section 9 or any portion of such rent, damages or costs.

16. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against the Central Government or the corporate authority or the appellate officer or the estate officer in respect of anything which is in good faith done or intended to be done in pursuance of this Act or of any rules or orders made thereunder.

17. Delegation of powers.—The Central Government may, by notification in the Official Gazette, direct that any power exercisable by it under this Act shall, subject to such conditions, if any, as may be specified in the notification, be exercisable also by a State Government or an officer of the State Government.

18. Power to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

- (a) the form of any notice required or authorised to be given under this Act and the manner in which it may be served;
- (b) the holding of inquiries under this Act;
- (c) the distribution and allocation of work to estate officers and the transfer of any proceeding pending before an estate officer to another estate officer;
- (d) the procedure to be followed in taking possession of public premises;
- (e) the manner in which damages for unauthorised occupation may be assessed and the principals which may be taken into account in assessing such damages;
- (f) the manner in which appeals may be preferred and the procedure to be followed in appeals;
- (g) any other matter which has to be or may be prescribed.

(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

19. Repeal.—The Public Premises (Eviction of Unauthorised Occupants) Act, 1958 (32 of 1958) is hereby repealed.

20. Validation. Notwithstanding any judgment, decree or order of any court, anything done or any action taken (including rules or orders made, notices issued, evictions ordered or effected, damages assessed, rents or damages or costs recovered and proceedings initiated) or purported to have been done or taken under the Public Premises (Eviction of Unauthorised Occupants) Act, 1958 (32 of 1958) (hereafter in this section referred to as the 1958-Act) shall be deemed to be as valid and effective as if such thing or action was done or taken under the corresponding provisions of this Act which, under sub-section (3) of section 1 shall be deemed to have come into force on the 16th day of September, 1958, and accordingly

- (a) no suit or other legal proceeding shall be maintained or continued in any court for the refund of any rent or damages or costs recovered under the 1958-Act where such refund has been claimed merely on the ground that the said Act has been declared to be unconstitutional and void; and
- (b) no court shall enforce a decree or order directing the refund of any rent or damages or costs recovered under the 1958-Act merely on the ground that the said Act has been declared to be unconstitutional and void.

Simla-2, the 7th July, 1970

No. 12-22/70-LR.—The following Acts recently passed by the Parliament which have already been published in the Gazette of India, are hereby republished in the Himachal Pradesh Rajpatra for the information of general public:

1. The Central Silk Board (Amendment) Act, 1970 (21 of 1970).
2. The Tea (Amendment) Act, 1970 (22 of 1970).
3. The Finance Act, 1970 (19 of 1970).

JOSEPH DINA NATH,
Under Secretary (Judicial).

Assented to on 14-5-1970

THE FINANCE ACT, 1970

(Act No. 19 of 1970)

AN

ACT

to give effect to the financial proposals of the Central Government for the financial year 1970-71.

Be it enacted by Parliament in the Twenty-first Year of the republic of India as follows:

CHAPTER I

PRELIMINARY

1. Short title and commencement. (1) This Act may be called the Finance Act, 1970.

(2) Save as otherwise provided in this Act, sections 2 to 27 (both inclusive) and sections 38 and 39 shall be deemed to have come into force on the 1st day of April, 1970.

CHAPTER II

RATES OF INCOME-TAX

2. Income-tax. (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 4th day of April, 1970, income-tax

shall be charged at the rates specified in Part I of the First Schedule and, in the cases to which Paragraphs A, B, C and D of that Part apply, shall be increased by a surcharge for purposes of the Union and in the cases to which Paragraph C applies, also by a special surcharge for purposes of the Union, calculated in each case in the manner provided therein.

(2) In making any assessment for the assessment year commencing on the 1st day of April, 1970, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956), includes any profits and gains from life insurance business, the income-tax payable by it shall be the aggregate of the income-tax calculated—

- (i) on the amount of profits and gains from life insurance business so included, at the rate applicable in the case of the Life Insurance Corporation of India, in accordance with Paragraph E of Part I of the First Schedule, to that part of its total income which consists of profits and gains from life insurance business; and
- (ii) on the remaining part of its total income, at the rate applicable to the company on its total income.

(3) In cases to which Chapter XII of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Income-tax Act) applies, the tax chargeable shall be determined as provided in that Chapter, and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter, as the case may be.

(4) In cases in which tax has to be deducted under sections 193, 194, 194A and 195 of the Income-tax Act at the rates in force, the deduction shall be made, at the rates specified in Part II of the First Schedule.

(5) In cases in which income-tax has to be calculated under the first proviso to sub-section (5) of section 132 of the Income-tax Act or charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section (9) of section 80E of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under chapter XVII-C of the said Act has to be computed, at the rate or rates in force, such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the rate or rates specified in Part III of the First Schedule.

(6) For the purposes of this section and the First Schedule,—

- (a) "company in which the public are substantially interested" means a company which is such a company as is referred to in section 108 of the Income-tax Act;
- (b) "domestic company" means an Indian company or any other company which, in respect of its income liable to income-tax under the Income-tax Act for the assessment year commencing on the 1st day of April, 1970, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income in accordance with the provisions of section 194 of that Act;
- (c) "industrial company" means a company which is mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining

Explanation.—For the purposes of this clause, a company shall be deemed to be mainly engaged in the business of generation or distribution of electricity or any other form of power or in the construction of ships or in the manufacture or processing of goods or in mining, if the income attributable to any one or more of the aforesaid activities included in its total income of the previous year (as computed before making any deduction under Chapter VIA of the Income-tax Act) is not less than fifty-one per cent of such total income;

(v) "tax free security" means any security of the Central Government issued or declared to be income-tax free, or any security of a State Government issued income-tax free, the income-tax whereon is payable by the State Government;

(e) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings, respectively, assigned to them in that Act.

CHAPTER III

INCOME-TAX

3. Amendment of section 2.—In section 2 of the Income-tax Act,—

(a) in clause (14), for sub-clause (iii), the following sub-clause shall be substituted, namely:—

"(iii) agricultural land in India, not being land situate—

(a) in any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee, or by any other name) or a cantonment board and which has a population of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the first day of the previous years; or

(b) in any area within such distance, not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in item (a), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette;"

(b) for clause (16), the following clause shall be substituted, namely:—

"(16) "Commissioner" means a person appointed to be a Commissioner of Income-tax under sub-section (1) of section 117, and includes a person appointed to be an Additional Commissioner of Income-tax under that sub-section;"

(c) in clause (37A), in sub-clause (i), for the words, figures and letter "computation of the "advance tax" payable under Chapter XVII-C, the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year", the following shall be substituted with effect from the 1st day of April, 1971, namely:—

"computation of the "advance tax" payable under Chapter XVII-C, in a case not falling under section 164, the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year, and for the purposes of computation of the "advance tax" payable under Chapter XVII-C in a case falling under section 164, the rate specified in that section or the rate or rates of income-tax specified in this behalf in the Finance Act of the relevant year, whichever is applicable".

4. Amendment of section 10.—In section 10 of the Income-tax Act,—

(a) after clause (20), the following clause shall be, and shall be deemed always to have been inserted, namely:—

"(20A) any income of an authority constituted in India by or under any law enacted either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development or improvement of cities, towns and villages, or for both;"

(b) after clause (22), the following clause shall be inserted, namely:—

"(22A) any income of a hospital or other institution for the reception and treatment of persons suffering from illness or mental defectiveness or for the reception and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, existing solely for philanthropic purposes and not for purposes of profit;"

5. Amendment of section 11.—In section 11 of the Income-tax Act,—

(a) in sub-section (1),—

(i) in clause (a), the words "and, where any such income is accumulated for application to such purposes, in India, to the extent to which the income so accumulated is not in excess of twenty-five per cent of the income from the property or rupees ten thousand, whichever is higher;" shall be omitted with effect from the 1st day of April 1971;

(ii) in clause (b), the words "and where any such income is finally set apart for application to such purposes in India, to the extent to which the income so set apart is not in excess of twenty-five per cent, of the income from the property held under trust in part;" shall be omitted with effect from the 1st day of April, 1971;

(iii) for the *Explanation*, the following *Explanation* shall be substituted with effect from the 1st day of April, 1971, namely:—

"Explanation.—For the purposes of clauses

(a) and (b), if in the previous year, the income applied to charitable or religious purposes in India falls short of the income derived during that year from property held under trust, or, as the case may be, held under trust in part, by any amount, so much of the income applied to such purposes in India during the period of three months immediately following the previous year as does not exceed the said amount may, at the option of the person in receipt of the income [such option to be exercised

in writing before the expiry of the time allowed under sub-section (1) or sub-section (2) of section 139, whether fixed originally or on extension, for furnishing the return of income), be deemed to be income applied to such purposes during the previous year, and the income so deemed to have been applied shall not be taken into account in calculating the amount of income applied to such purposes during the immediately following previous year.”;

(b) for sub-section (2), the following sub-section shall be substituted with effect from the 1st day of April, 1971, namely:—

“(2) Where any income referred to in clause (a) or clause (b) of sub-section (1) read with the *Explanation* to that sub-section is not applied or is not deemed to have been applied to charitable or religious purposes in India during the previous year but is accumulated, or finally set apart, for application to such purposes in India, such income shall not be included in the total income of the previous year of the person in receipt of the income provided the following conditions are complied with, namely:—

(a) such person specifies, by notice in writing given to the Income-tax Officer in the prescribed manner, the purpose for which the income is being accumulated or set apart and the period for which the income is to be accumulated or set part, which shall in no case exceed ten years;

(b) the money so accumulated or set apart is—

(i) invested in any Government security as defined in clause (2) of section 2 of the Public Debt Act, 1944 (18 of 1944) or in any other security which may be approved by the Central Government in this behalf, or

(ii) deposited in any account with the Post Office Savings Bank [including deposits made under the Post Office (Time deposits) Rules, 1970] or a banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 5 of that Act) or a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank), or

(iii) deposited in an account with a financial corporation which is engaged in providing long-term finance for industrial development in India and which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of section 36.”;

(c) for sub-section (3), the following sub-section shall be substituted with effect from the 1st day of April, 1971, namely:—

“(3) Any income referred to in sub-section (2) which

(a) is applied to purposes other than charitable or religious purposes as aforesaid or ceases to be accumulated or set apart for application thereto, or

(b) ceases to remain invested in any security referred to in sub-clause (i) or deposited in any account referred to in sub-clause (ii) or sub-clause (iii) of clause (b) of that sub-section, or

(c) is not utilised for the purpose of which it is so accumulated or set apart during the period referred to in clause (a) of that sub-section or in the year immediately following the expiry thereof,

shall be deemed to be the income of such person of the previous year in which it is so applied or ceases to be so accumulated or set apart or ceases to remain so invested or deposited or, as the case may be, of the previous year immediately following the expiry of the period aforesaid.”;

(d) in sub-section (4), the words, brackets and figure “and accordingly chargeable to tax within the meaning of sub-section (3)” shall be omitted with effect from the 1st day of April, 1971.

6. *Substitution of new section for section 13.*—For section 13 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1971, namely:—

13. *Section 11 not to apply in certain cases.*—(1) Nothing contained in section 11 shall operate so as to exclude from the total income of the previous year of the person in receipt thereof—

(a) any part of the income from the property held under a trust for private religious purposes which does not ensure for the benefit of the public;—

(b) in the case of a trust for charitable purposes or a charitable institution created or established after the commencement of this Act, any income thereof if the trust or institution is created or established for the benefit of any particular religious community or caste;

(c) in the case of a trust for charitable or religious purposes or a charitable or religious institution, any income thereof—

(i) if such trust or institution has been created or established after the commencement of this Act and under the terms of the trust or the rules governing the institution, any part of such income ensures, or

(ii) if any part of such income or any property of the trust or institution (whenever created or established) is during the previous year used or applied, directly or indirectly for the benefit of any person referred to in sub-section (3);

Provided that in the case of a trust or institution created or established before the commencement of this Act, the provisions of sub-clause (ii) shall not apply to any use or application, whether directly or indirectly, of any part of such income or any property of the trust or institution for the benefit of any person referred to in sub-section (3), if such use or application is by way of compliance with a mandatory term of the trust or a mandatory rule governing the institution:

Provided further that in the case of a trust for religious purposes or a religious institution (whenever created or established) or a trust for charitable purposes or a charitable institution created or established before the commencement of this Act, the provisions of sub-clause (ii) shall not

apply to any use or application, whether directly or indirectly, of any part of such income or any property of the trust or institution for the benefit of any person referred to in sub-section (3) in so far as such use or application relates to any period before the 1st day of June, 1970.

(2) Without prejudice to the generality of the provisions of clause (c) of sub-section (1), the income or the property of the trust or institution to any part of such income or property shall, for the purposes of that clause, be deemed to have been used or applied for the benefit of a person referred to in sub-section (3)—

- if any part of the income or property of the trust or institution is, or continues to be, lent to any person referred to in sub-section (3) any for period during the previous year without either adequate security or adequate interest or both;
- if any land, building or other property of the trust or institution is, or continues to be, made available for the use of any person referred to in sub-section (3), for any period during the previous year without charging adequate rent or other compensation;
- if any amount is paid by way of salary, a allowance or otherwise during the previous year to any person referred to in sub-section (3) out of the resources of the trust or institution for services rendered by that person to such trust or institution and the amount so paid is in excess of what may be reasonable paid for such services;
- if the services of the trust or institution are made available to any person referred to in sub-section (3) during the previous year without adequate remuneration or other compensation;
- if any share, security or other property is purchased by or on behalf of the trust or institution from any person referred to in sub-section (3) during the previous year for consideration which is more than adequate;
- if any share, security or other property is sold by or on behalf of the trust or institution to any person referred to in sub-section (3), during the previous year for consideration which is less than adequate;
- if a substantial portion of the income or property of the trust or institution is diverted during the previous year in favour of any person referred to in sub-section (3); or
- if any funds of the trust or institution are, or continue to remain, invested for any period during the previous year (not being a period before the 1st day of January, 1971) in any concern in which any person referred to in sub-section (3) has a substantial interest.

(3) The persons referred to in clause (3) of sub-section (1) and sub-section (2) are the following, namely:—

- the author of the trust or the founder of the institution;
- any person who has made a substantial contribution to the trust or institution;
- where such author, founder or person is a Hindu undivided family, a member of the family;

- any relative of any such author, founder, person or member as aforesaid;
- any concern in which any of the persons referred to in clauses (a), (b), (c) and (d) has a substantial interest.

(4) Notwithstanding anything contained in clause (c) of sub-section (1), in a case where the aggregate of the funds of the trust or institution invested in a concern which any person referred to in sub-section (3) has a substantial interest, does not exceed five per cent of the capital of that concern, the exemption under section 11 shall not be denied in relation to any income other than the income arising to the trust or the institution from such investment, by reason only that the moneys of the trust or the institution have been invested in a concern in which such person has a substantial interest.

Explanation 1.—For the purpose of sections 11 and 12 and this section, "trust" includes any other legal obligation and for the purpose of this section "relative" also includes a lineal descendant of a brother or sister.

Explanation 2.—A trust or institution created or established for the benefit of Scheduled Castes, backward classes, Scheduled Tribes or women and children shall not be deemed to be trust or institution created or established for the benefit of a religion sub community or caste within the meaning of clause (b) of section (1).

Explanation 3.—For the purposes of this section person shall be deemed to have a substantial interest in a concern,—

- in a case where the concern is a company, if its shares (not being shares entitled to a fixed rate of dividend whether with or without a further right to participate in profits) carrying not less than twenty per cent of the voting power are, at any time during the previous year, owned beneficially by such person or partly by such person and partly by one or more of the other persons referred to in sub-section (3);
- in the case of any other concern, if such person is entitled, or such person and one or more of the other persons referred to in sub-section (3) are entitled in the aggregate, at any time during the previous year, to not less than twenty per cent of the profits of such concern.

7. Amendment of section 16.—In section 16 of the Income-tax Act, for clause (iv), the following clause shall be substituted with effect from the 1st day of April, 1971, namely:—

"(iv) where the assessee is not in receipt of a conveyance allowance, whether as such or as part of his salary, in respect of expenditure on travelling for the purposes of his employment, a sum calculated in respect of each calendar month or part thereof comprised in the period of his employment during the previous year, on the basis provided hereunder, namely:—

Rs.	
200;	(a) where the assessee owns a motor car which is used for the purposes of his employment.
60;	(b) where the assessee owns a motor cycle, scooter or other moped which is used for the purposes of his employment.
35;"	(c) in any other case

8. *Amendment of section 35B.*—In section 35B of the Income-tax Act, in sub-section (1), for sub-clause (iii), of clause (b), the following sub-clause shall be, and shall be deemed always to have been, substituted, namely:—

"(iii) distribution, supply or provision outside India of such goods, services or facilities, not being expenditure incurred in India in connection therewith or expenditure (wherever incurred) on the carriage of such goods to their destination outside India or on the insurance of such goods while in transit;".

9.—*Amendment of section 36.*—In section 36 of the Income-tax Act, in clause (viii) of sub-section (1), the following *Explanation* shall be deemed to have been inserted at the end with effect from the 1st day of April, 1966, namely:—

"*Explanation.*—For the removal of doubts, it is hereby declare that in the case of a financial corporation to which sub-clause (a) applies, if the amount carried to the reserve account referred to in this clause in the accounts of the previous year relevant to the assessment year commencing on the 1st day of April, 1966, falls short of twenty-five percent of the total income and the amount transferred to such reserve account in the accounts of the immediately succeeding previous year exceeds the amount in respect of which the corporation is entitled to the deduction under this clause for the assessment year commencing on the 1st day of April, 1967, an amount equal to such excess shall, for the purpose of allowing the deduction under this clause, be deemed to have been transferred to the reserve account in the accounts of the first mentioned previous year;".

10. *Amendment of section 37.*—In section 37 of the Income-tax Act, —

(a) in the *Explanation* to sub-section (2A), for the words "For the purposes of this sub-section", the words, brackets, figure and letter "For the purposes of this sub-section and sub-section (2B)" shall be substituted;

(b) after sub-section (2A), the following sub-section shall be inserted, namely:—

"(2B) Notwithstanding anything contained in this section, no allowance shall be made in respect of expenditure in the nature of entertainment expenditure incurred within India by any assessee after the 28th day of February, 1970.";

(c) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) Notwithstanding anything contained in sub-section (1) or sub-section (3),—

(i) no allowance shall be made in respect of any expenditure incurred by the assessee after the 28th day of February, 1970, on the maintenance of any residential accommodation in the nature of a guest house (such residential accommodation being hereafter in this sub-section referred to as "guest house");

(ii) in relation to the assessment year commencing on the 1st day of April, 1971, or any subsequent assessment year, no allowance shall be made in respect of depreciation of any building used as a guest house or depreciation of any assets in a guest house:—

Provided that the aggregate of the expenditure referred to in clause (i) and the amount of any depreciation referred to in clause (ii) shall, for the purposes of this sub-section, be reduced by the amount, if any, received from persons using the guest house;

Provided further that nothing in this sub-section shall apply in relation to any guest house maintained as a holiday home if such guest house—

- (a) is maintained by an assessee who has throughout the previous year employed not less than one hundred whole-time employees in a business or profession carried on by him; and
- (b) is intended for the exclusive use of such employees while on leave.

Explanation.—For the purposes of this sub-section,—

(i) residential accommodation in the nature of a guest house shall include accommodation hired or reserved by the assessee in hotel for a period exceeding one hundred and eighty two days during the previous year; and

(ii) the expenditure incurred on the maintenance of a guest house shall, in a case where the residential accommodation has been hired by the assessee, include also the rent paid in respect of such accommodation.

11. *Amendment of Chapter IV-E relating to capital gains.*—In Chapter IV-E of the Income-tax Act,—

(a) in section 45, for the words and figures "sections 53 and 54", the words, figures and letter "sections 53, 54 and 54B" shall be substituted;

(b) in section 47, after clause (vii), the following clause shall be inserted, namely:—

"(viii) any transfer of agricultural land in India effected before the 1st day of March, 1970.";

(c) after section 54A, the following section shall be inserted, namely:—

"54B. *Capital gain on transfer of land used for agricultural purposes not to be charged in certain cases.*—Where the capital gain arises from the transfer of a capital asset being land which, in the two years immediately preceding the date on which the transfer took place, was being used by the assessee or parent of his for agricultural purposes, and the assessee has, within a period of two years after that date, purchased any other land for being used for agricultural purposes, then, instead of the capital gain being charged to income-tax as income of the previous year in which the transfer took place, it shall be dealt with in accordance with the following provisions of this section, that is to say,—

(i) if the amount of the capital gain is greater than the cost of the land so purchased (hereinafter referred to as the new asset), the difference between the amount of the capital gain and the cost of the new asset shall be charged under section 45 as the income of the previous year; and from the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its purchase, the cost shall be nil; or

(ii) if the amount of the capital gain is equal to or less than the cost of the new asset, the capital gain shall not be charged under section 45; and for the purpose of computing in respect of the new asset any capital gain arising from its transfer within a period of three years of its purchase, the cost shall be reduced by the amount of the capital gain.”.

12. *Amendment of section 80C.*—In section 80C of the Income-tax Act,—

(a) in sub-section (2), after clause (f), the following clause shall be inserted with effect from the 1st day of April, 1971, namely:—

“(g) where the assessee is an association of persons or a body of individuals consisting only of husband and wife governed by the system of community of property in force in the Union territories of Dadra and Nagar Haveli and Goa, Daman and Diu—

(i) any sums paid in the previous year by the assessee out of its income chargeable to tax—

(1) to effect or to keep in force an insurance on the life of any member of such association or body or on the life of any child of any of the members of such association or body; or

(2) to effect or to keep in force a contract for a deferred annuity on the life of any member of such association or body or any child of any of the members of such association or body, notwithstanding that such contract contains a provision for the exercise by the insured of an option to receive a cash payment in lieu of the payment of the annuity; or

(3) as a contribution to any provident fund referred to in sub-clause (iv) of clause (a);

(ii) any sums deposited in the previous year such association or body out of its income chargeable to tax in a 10 year account or a 15 year account under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959 as amended from time to time.”;

(b) in sub-section (3), for the words, brackets and letters “clauses (a) and (d)”, the words, brackets and letters “clauses (a), (b) and (g)” shall be substituted with effect from the 1st day of April, 1971;

(c) in sub-section (4), after clause (iii), the following clause shall be inserted with effect from the 1st day of April, 1971, namely:—

“(iv) in the case of an association of persons or a body of individuals referred to in clause (g) of sub-section (2), thirty per cent of the gross total income of such association or body, or fifteen thousand rupees, whichever is less.”.

13. *Amendment of section 80G.*—In section 80G of the Income-tax Act,—

(a) in clause (i) of sub-section (5), after the word, brackets and figures “clause (22)”, the words, brackets, figures and letter “or clause (22A)” shall be inserted;

(b) for Explanation 2, the following *Explanation* shall be substituted with effect from the 1st day of April, 1971, namely:—

“Explanation 2.—For the removal of doubts, it is hereby declared that a deduction to which the assessee is entitled in respect of any donation made to an institution or fund to which sub-section (5) applies shall not be denied merely on either or both of the following grounds, namely:—

(i) that, subsequent to the donation, any part of the income of the institution or fund has become chargeable to tax due to non-compliance with any of the provisions of section 11;

(ii) that, under clause (c) of sub-section (1) of section 13, the exemption under section 11 is denied to the institution or fund in relation to any income arising to it from any investment referred to in clause (ii) of sub-section (2) of section 13 where the aggregate of the funds invested by it in a concern referred to in the said clause (h) does not exceed five per cent of the capital of that concern.”.

14. *Substitution of new section for section 80L.*—For section 80L of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 1971, namely:—

“80L. *Deductions in respect of interest on certain securities, dividends, etc.*—(1) Where the gross total income of an assessee includes any income by way of—

(i) interest on any security of the Central Government or a State Government (not being interest payable under section 280D in respect of any annuity* deposit made under Chapter XXIIA);

(ii) interest on such debentures, issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(iii) interest on deposits under any scheme formed by the Central Government and notified by it in this behalf in the Official Gazette;

(iv) dividends from any Indian company;

(v) income received in respect of units from the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);

(vi) interest on deposits with banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act) or a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank); or

(vii) interest on deposits with a financial corporation which is engaged in providing long-term finance for industrial development in India

and which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of section 36, there shall, in accordance with and subject to the provisions of this section, be allowed, in computing the total income of the assessee, a deduction as specified hereunder, namely:—

- (a) in a case where the amount of such income does not exceed in the aggregate three thousand rupees, the whole of such amount; and
- (b) in any other case, three thousand rupees.

(2) In a case where the assessee is entitled also to the deduction under section 80K in relation to the whole or any part of the income by way of dividends referred to in clause (ii) of sub-section (1), only so much of such income by way of dividends as may remain after the deduction under section 80K shall be taken into account for the purpose of allowing the deduction under sub-section (1)."

15. *Amendment of section 80M.*—In section 80M of the Income-tax Act, for sub-section (2), the following sub-section shall be substituted with effect from the 1st day of April, 1971, namely:—

"(2) Where a company to which this section applies is entitled also to the deduction in respect of income by way of dividends under section 80K or section 80L, the deduction under sub-section (1) shall be allowed in respect of income by way of dividends referred to therein as reduced by the aggregate of the deductions, if any, in respect of income by way of dividends under section 80K and section 80L.

Explanation. For the purposes of this section, the deduction in respect of income by way of dividends under section 80L shall be taken to be so much of the amount of the deduction under that section as may be in excess of the aggregate of the items of income referred to in clauses (i), (ii), (iii), (v), (vi) and (vii) of sub-section (1) of that section."

16. *Amendment of section 80MM.*—In section 80MM of the Income-tax Act, in sub-section (1), for the portion beginning with the words "under the agreement" and amending with the words "total income of the assessee", the following shall be substituted, namely:—

"under an agreement entered into by the assessee with such person on or after the 1st day, April, 1969 and approved by the Central Government in this behalf, there shall be allowed a deduction from such income of an amount equal to forty per cent thereof, in computing the total income of the assessee:

Provided that the application for such approval is made to the Central Government before the 1st day of October of the relevant assessment year."

17. *Amendment of section 116.*—In section 116 of the Income-tax Act, for clause (c) the following clause shall be substituted, namely:—

"(c) Commissioners of Income-tax and Additional Commissioners of Income-tax."

18. *Amendment of section 117.*—In section 117 of the Income-tax Act, in sub-section (1), after the words "Directors of Inspection, Commissioners of Income-tax", the words "Additional Commissioners of Income-tax", shall be inserted.

19. *Substitution of new section for section 130.*—For section 130 of the Income-tax Act, the following section shall be substituted, namely:—

"130. *Commissioner competent to perform any functions or functions.*—(1) In respect of any function to be performed by a Commissioner under any provision of this Act in relation to an assessee, the Commissioner referred to therein shall,—

- (a) in a case where only one Commissioner has jurisdiction over such assessee, be such Commissioner;
- (b) in a case where two or more Commissioners have concurrent jurisdiction over such assessee, be the Commissioner empowered to perform such function by the Board.

(2) Subject to the provisions of sub-section (1), for the purposes of sections 253, 254, 256, 263 and 264, the Commissioner referred to therein shall, in relation to an assessee, be the Commissioner having for the time being jurisdiction over the assessee."

20. *Amendment of section 139.*—In section 139 of the Income-tax Act, after sub-section (4), the following sub-section shall be inserted with effect from the 1st day of April, 1971, namely:—

"(4A) Every person in receipt of income derived from property held under trust or other legal obligation wholly for charitable or religious purposes, or in part only for such purposes, shall, if the total income in respect of which he is assessable as a representative assessee [the total income for this purpose being computed under this Act without giving effect to the provisions of sub-section (1) of section 11] exceeds the maximum amount which is not chargeable to income-tax, furnish a return of such income of the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed and all the provisions of this Act shall, so far as may be, apply as if it were a return required to be furnished under sub-section (1)."

21. *Substitution of new section for section 164.*—For section 154 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April 1971, namely:—

"164. *Charge of tax where share of beneficiaries unknown.*—(1) subject to the provisions of sub-sections (2) and (3), where any income in respect of which the persons mentioned in clauses (iii) and (iv) of sub-section (1) of section 160 are liable as representative assessee or any part thereof is not specifically receivable on behalf or for the benefit of any one person or where the individual shares of the persons on whose behalf or for whose benefit such income or such part thereof is receivable are indeterminate or unknown (such income, such part of the income and such persons being hereafter in this section referred to as "relevant income", "part of relevant income" and "beneficiaries", respectively), tax shall be charged—

- (i) as if the relevant income or part of relevant income were the total income of an association of persons, or
- (ii) at the rate of sixty-five per cent, whichever course would be more beneficial to the revenue:

Provided that in a case where—

- (i) none of the beneficiaries has any other income chargeable under this Act; or

- (ii) the relevant income or part of relevant income is receivable under a trust declared by will; or
- (iii) the relevant income or part of relevant income is receivable under a trust created before the 1st day of March, 1970 by a non-testamentary instrument and the Income-tax Officer is satisfied, having regard to all the circumstances existing at the relevant time, that the trust was created *bona fide* exclusively for the benefit of the relatives of the settlor, or where the settlor is a Hindu undivided family, exclusively for the benefit of the members of such family, in circumstances where such relatives or members were mainly dependent on the settlor for their support and maintenance; or
- (b) the relevant income is receivable by the trustees on behalf of a provident fund, superannuation fund, gratuity fund, pension fund or any other fund created *bona fide*, by a person carrying on business or profession exclusively for the benefit of persons employed in such business or profession,

tax shall be charged as if the relevant income or part of relevant income were the total income of an association of persons.

(2) In the case of relevant income which is derived from property held under trust wholly for charitable or religious purposes, tax shall be charged on so much of the relevant income as is not exempt under section 11, as if in relevant income not so exempt were the income of an association of persons.

(3) In a case where the relevant income is derived from property held under trust in part only for charitable or religious purposes and either the relevant income applicable to purposes other than charitable or religious purposes (or any part thereof) is not specifically receivable on behalf of any one person or the individual shares of the beneficiaries in the income so applicable are indeterminate or unknown, the tax chargeable on the relevant income shall be either—

(a) the tax which would be chargeable if the whole of the relevant income (as reduced by the income, if any, which is exempt under section 11) were the total income of any association of persons; or

(b) the aggregate of—

(i) the tax which would be chargeable on that part of the relevant income which is applicable to charitable or religious purposes (as reduced by the income, if any, which is exempt under section 11) as if such part (or such part as so reduced) were the total income of an association of persons; and

(ii) the tax on that part of the relevant income which is applicable to purposes other than charitable or religious purposes, and in respect of which the shares of the beneficiaries are indeterminate or unknown, at the rate of sixty-five per cent,

whichever course would be more beneficial to the revenue:

Provided that in a case where—

- (i) none of the beneficiaries in respect of the part of the relevant income which is not applicable to charitable or religious purposes has any other income chargeable under this Act; or
- (ii) the relevant income is receivable under a trust declared by will; or
- (iii) the relevant income is receivable under a trust created before the 1st day of March, 1970, by a non-testamentary instrument and the Income-tax Officer is satisfied, having regard to all the circumstances existing at the relevant time, that the trust, to the extent it is not for charitable or religious purposes was created *bona fide* exclusively for the benefit of the relatives of the settlor, or where the settlor is a Hindu undivided family, exclusively for the benefit of the members of such family in circumstances where such relatives or members were mainly dependent on the settlor for their support and maintenance,

tax shall be charged as if the relevant income (as reduced by the income, if any, which is exempt under section 11) were the total income of an association of persons.'

22. *Amendment of section 193.*—In section 193 of the Income-tax Act, in the proviso, after clause (ii), the following clauses shall be inserted, namely:—

- (iia) any interest payable on 7 Year National Savings Certificate (IV Issue); or
- (iib) any interest payable on such debentures, issued by any co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, as the Central Government may, by notification in the Official Gazette, specify in this behalf; or"

23. *Amendment of section 194A.*—In section 194A of the Income-tax Act, in sub-section (3), after clause (v), the following clauses shall be inserted, namely:—

- (vi) to such income credited or paid in respect of deposits under any scheme framed by the Central Government and notified by it in this behalf in the Official Gazette;
- (vii) to such income credit or paid in respect of deposits with a banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act), or with a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or co-operative land development bank)."

24. *Amendment of section 195.*—In section 195 of the Income-tax Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

- (3) Subject to rules made under sub-section (5), any person entitled to receive any interest or other sum on which income-tax has to be deducted under sub-section (1) may make an application in the prescribed form to the Income-tax Officer for the grant of a certificate authorising him to receive such interest or other sum without deduction of tax under that sub-section, and where any such certificate is granted, every person responsible for paying such interest or other sum to the person to whom such certificate is granted shall, so long as the certificate is in force, make payment of such interest or other sum without deducting tax thereon under sub-section (1).

(4) A certificate granted under sub-section (3) shall remain in force till the expiry of the period specified therein or, if it is cancelled by the Income-tax Officer before the expiry of such period, till such cancellation.

(5) The Board may, having regard to the convenience of assessees and the interests of revenue, by notification in the Official Gazette, make rules specifying the cases in which, and the circumstances under which, an application may be made for the grant of a certificate under sub-section (3) and the conditions subject to which such certificate may be granted and providing for all other matters connected therewith.”.

25. *Amendment of section 212.*—In section 212 of the Income-tax Act, to sub-section (3A), the following proviso shall be added, namely:—

“Provided that in a case where the Commissioner is satisfied that, having regard to the nature of the business carried on by the assessee and the date of expiry of the previous year in respect of such business, it will be difficult for the assessee to furnish the estimate required to be furnished by him in accordance with the provisions of this sub-section before the date on which the last instalment of advance tax is due in his case he may, if the assessee pays the advance tax demanded from him under section 210 before such date, extend the date for furnishing such estimate upto a period of thirty days immediately following the last date of the previous year in respect of that business, and where the date is so extended, the assessee shall pay, on or before the date so extended, the amount by which the amount of advance tax already paid by him falls short of the advance tax payable in accordance with his estimate.”.

CHAPTER IV

OTHER DIRECT TAXES

26. *Amendment of Act 27 of 1957.*—In the Wealth-tax Act, 1957, —

(a) in section 2, to sub-clause (2) of clause (c), the following proviso shall be added and shall be deemed to have been added with effect from the 1st day of April, 1969, namely:—

“Provided that, in relation to the State of Jammu and Kashmir, this sub-clause shall have effect subject to the modification that for the assets specified in items (i) to (iii) of this sub-clause, the assets specified in items (i) to (v) of sub-clause (1) shall be substituted and the other provisions of this Act shall be construed accordingly.”;

(b) in section 5, —

(i) in sub-section (1), —

(1) for the words “Wealth-tax shall not be payable by an assessee in respect of the following assets”, the words, brackets, figures and letter “Subject to the provisions of sub-section (1A), wealth-tax shall not be payable by an assessee in respect of the following assets” shall be substituted with effect from the 1st day of April, 1971; —

(2) for clause (iv), the following clause shall be substituted with effect from the 1st day of April, 1971, namely:—

“(iv) one house or part of a house belonging to the assessee and exclusively used by him for residential purposes:

Provided that, where the value of such house

or part exceeds one hundred thousand rupees, the amount that shall not be included in the net wealth of the assessee under this clause shall be one hundred thousand rupees;”;

(3) after clause (iv), the following clause shall be inserted with effect from the 1st day of April, 1971, namely:—

“(ivb) one building or one group of buildings owned by a cultivator of, or receiver of rent or revenue out of, agricultural land: Provided that such building or group of buildings is on or in the immediate vicinity of the land and is required by the cultivator or the receiver of rent or revenue, by reason of his connection with the land, as dwelling house, store-house or out-house;”;

(4) in clause (xv), for the words “fixed deposits”, the word “deposits” shall be substituted with effect from the 1st day of April, 1971;

(5) after clause (xxi) the following clauses shall be inserted with effect from the 1st day of April, 1971, namely:—

“(xxii) any security of the Central Government or a State Government [not being a security referred to in clause (xvi) or clause (xvii)];

(xxiii) any share [not being shares referred to in clause (xx)] held by the assessee in any Indian company where the assessee is an individual or a Hindu undivided family;

(xxiv) such debentures, issued by an co-operative society (including a co-operative land mortgage bank or a co-operative land development bank) or any other institution or authority, as the Central Government may, by notification in the Official Gazette, specify in this behalf;

(xxv) unit in the Unit Trust of India established under the Union Trust of India Act, 1963 (52 of 1963);

(xxvi) any deposits with a banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies (including any bank or banking institution referred to in section 51 of that Act), or with a co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank or a co-operative land development bank);

(xxvii) any deposits with a financial corporation which is engaged in providing long-term finance for industrial development in India and which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of section 36 of the Income-tax Act.”;

(ii) after sub-section (1), the following sub-section shall be inserted with effect from the 1st day of April, 1971, namely:—

“(1A) Nothing contained in sub-section (1) shall operate to exclude from the net wealth of the assessee any assets referred to in clauses (xv), (xvi), (xxii), (xxiii), (xxiv), (xxv), (xxvi) and (xxvii) [not being deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959], to the extent the value thereof exceeds

in the aggregate, a sum of one hundred and fifty thousand rupees:

Provided that where the assets include any assets referred to in clause (xv) or clause (xvi) [not being deposits under the Post Office Savings Bank (Cumulative Time Deposits) Rules, 1959] which have been held by the assessee continuously from a date prior to the 1st day of March, 1970 and the value of the assets so included exceeds the limit of one hundred and fifty thousand rupees by any amount, such limit shall be raised by the said amount.”;

(iii) in sub-section (3), for the words, brackets and figures “clause (xvi) and clause (xix) the words, brackets and figures “clauses (xv), (xvi), (xix), (xxii), (xxiii), (xxiv), (xxv), (xxvi) and (xxvii)” shall be substituted with effect from the 1st day of April, 1971;

(c) after section 11A, the following section shall be inserted, namely:—

“11AA. *Commissioner competent to perform any function or functions.*—In respect of any function to be performed by a Commissioner under any provision of this Act in relation to an assessee, the Commissioner referred to therein shall,—

(a) in a case where only one Commissioner has jurisdiction over such assessee, be such Commissioner;
(b) in a case where two or more Commissioners have concurrent jurisdiction over such assessee, be the Commissioner empowered to perform such function by the Board.”;

(d) in section 14, to sub-section (1), the following proviso shall be added, namely:—

“Provided that in the case of a person whose net wealth or the net wealth of any other person in respect of which he is assessable under this Act includes the value of any assets held in a business or profession and the time (whether fixed originally, or on extension) for furnishing the return of his total income or, as the case may be, of the total income of the other person aforesaid for the said assessment year under sub-section (1) or sub-section (2) or sub-section (3) of section 139 of the Income-tax Act, expires on or after the 30th day of June aforesaid, the return in respect of such net wealth for the assessment year may be furnished before the expiry of the time for furnishing such return of income.”;

(e) in section 21, for sub-section (4), the following sub-section shall be substituted with effect from the 1st day of April, 1971, namely:—

“(4) Notwithstanding anything contained in this section, where the shares of the persons on whose behalf or for whose benefit any such assets are held are indeterminate or unknown, the wealth-tax shall be levied upon and recovered from the court of wards administrator-general, official trustee, receiver, manager, or other person aforesaid as if the persons on whose behalf or for whose benefit the assets are held were an individual who is a citizen of India and resident in India for the purposes of this act, and—

(a) at the rates specified in Part I of the Schedule in the case of an individual; or
(b) at the rate of one and one-half per cent,

whichever course would be more beneficial to the revenue:

Provided that in a case where—

(i) such assets are held under a trust declared by will; or
(ii) such assets are held under a trust created before the 1st day of March, 1970, by a non-testamentary instrument and the Wealth-tax Officer is satisfied, having regard to all the circumstances existing at the relevant time, that the trust was created *bonafide* exclusively for the benefit of the relatives of the settlor or where the settlor is a Hindu undivided family, exclusively for the benefit of the members of such family, in circumstances where such relatives or member were mainly dependent on the settlor for their support and maintenance; or
(iii) such assets are held by the trustees on behalf of provident fund, superannuation fund, gratuity fund, pensions fund or any other fund created *bonafide* by a person carrying on a business or profession exclusively for the benefit of persons employed in such business or profession, wealth-tax shall be charged at the rates specified in Part I of the Schedule in the case of an individual.”;

(f) in the Schedule,—

(i) for Part I, the following Part shall be substituted with effect from the 1st day of April, 1971, namely:—

PART I

Paragraph A

(1) in the case of every individual:—

Rate of tax

(a) whether the net wealth not exceed Rs. 1,00,000.	Nil;
(b) where the net wealth exceeds Rs. 1,00,000 but does not exceed Rs. 5,00,000.	1 per cent of the amount by which the net wealth exceeds Rs. 1,00,000;
(c) where the net wealth exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000.	Rs. 4,000 plus 2 per cent of the amount by which the net wealth exceeds Rs. 5,00,000;
(d) where the net wealth exceeds Rs. 10,00,000 but does not exceed Rs. 15,00,000.	Rs. 14,000 plus 3 per cent of the amount by which the net wealth exceeds Rs. 10,00,000;
(e) where the net wealth exceeds Rs. 15,00,000 but does not exceed Rs. 20,00,000.	Rs. 29,000 plus 4 per cent of the amount by which the net wealth exceeds Rs. 15,00,000;
(f) where the net wealth exceeds Rs. 20,00,000.	Rs. 49,000 plus 5 per cent of the amount by which the net wealth exceeds Rs. 20,00,000.

(2) In the case of every Hindu undivided family:—

Rate of tax

(a) where the net wealth does not exceed Rs. 2,00,000.	Nil;
(b) where the net wealth exceeds Rs. 2,00,000 but does not exceed Rs. 5,00,000.	1 per cent of the amount by which the net wealth exceeds Rs. 2,00,000;

(c) where the net wealth exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000.	Rs. 3,000 <i>plus</i> 2 per cent of the amount by which the net wealth exceeds Rs. 5,00,000;
(d) where the net wealth exceeds Rs. 10,00,000 but does not exceed Rs. 15,00,000.	Rs. 13,000 <i>plus</i> 3 per cent of the amount by which the net wealth exceeds Rs. 10,00,000;
(e) where the net wealth exceeds Rs. 15,00,000 but does not exceed Rs. 20,00,000.	Rs. 28,000 <i>plus</i> 4 per cent of the amount by which the net wealth exceeds Rs. 15,00,000;
(f) where the net wealth exceeds Rs. 20,00,000.	Rs. 48,000 <i>plus</i> 5 per cent of the amount by which the net wealth exceeds Rs. 20,00,000.

(3) In addition, in the case of every individual and Hindu undivided family, where the net wealth of the individual or Hindu undivided family includes the value of any asset, being building or land other than business premises or any right in such building or land, situated in an urban area (such asset being hereafter in this Part referred to as urban asset):—

Rate of tax

(a) where the total value of urban assets determined in accordance with the rules in Paragraph B does not exceed Rs. 5,00,000.	Nil;
(b) where the total value of urban assets determined in accordance with the rules in Paragraph B exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000.	5 per cent of the amount by which such total value exceeds Rs. 5,00,000;
(c) where the total value of urban assets determined in accordance with the rules in Paragraph B exceeds Rs. 10,00,000.	Rs. 25,000 <i>plus</i> 7 per cent of the amount by which such total value exceeds Rs. 10,00,000.

Paragraph B

Rule 1. In this Part,—

- (i) "business premises" means any building or land or part of such building or land, or any right in building or land or part thereof, owned by the assessee and used throughout the previous year for the purposes of his business or profession, and includes any building used for the purpose of residence of persons employed in the business or any building used for the welfare of such persons as a hospital, creche, school, canteen, library, recreational centre, shelter, rest-room or lunch-room, but does not include any premises in the nature of a guest house;
- (ii) "previous year", in relation to a business or profession, means the period which would be the previous year if an assessment of the profit and gains of such business or profession were to be made under the Income-tax Act for the assessment year;

(iii) "urban area" means,—

- (a) any area which is comprised within the jurisdiction of a municipality (whether known as a municipality, municipal corporation, notified area committee, town area committee, town committee or by any other name) or a cantonment board and which has a popula-

tion of not less than ten thousand according to the last preceding census of which the relevant figures have been published before the valuation date; or

- (b) any area within such distance, not being more than eight kilometres, from the local limits of any municipality or cantonment board referred to in sub-clause (a), as the Central Government may, having regard to the extent of, and scope for, urbanisation of that area and other relevant considerations, specify in this behalf by notification in the Official Gazette.

Rule 2.—In determining, for the purposes of item (3) of Paragraph A, the value of any urban asset,—

- (a) any debt (whether secured or not) incurred for the purpose of acquiring, improving, constructing, repairing, renewing or reconstructing such asset shall be deducted from the gross value of such asset;
- (b) other debts which are deductible in computing the net wealth shall be deducted from the gross value of such asset [as reduced by the debts, if any, under clause (a)] only if, and to the extent that, such debts exceeds the aggregate gross value of assets other than urban assets.

Rule 3.—Where the net wealth of the assessee includes the value of his interest as a partner in a firm or as a member of an association of persons and the assets of such firm or association include any urban assets, then, notwithstanding anything contained in the Indian Partnership Act, 1932 (9 of 1932), or in any other law for the time being in force, the interest of the assessee in such firm or association, to the extent specified in the *Explanation* below, shall be deemed to be an urban asset and the provisions of item (3) of Paragraph A shall apply accordingly.

Explanation.—The extent of the interest of the assessee in a firm or association deemed to be an urban asset as aforesaid shall be a sum which bears to the value of the whole of the interest of the assessee in the firm or association the same proportion which the net value of the urban assets of the firm or association (determined under rule 2 as if they were urban assets belonging to an individual or a Hindu undivided family) bears to the net wealth of the firm or, as the case may be, the association, computed as if such firm or association were an individual.

Rule 4. —Where the net wealth of the assessee includes the value of any share (not being a share issued for full cash consideration where the holder of the share is not entitled, in the event of liquidation, to participate in the surplus assets) in a company which is not a company in which the public are substantially interested [within the meaning of clause (18) of section 2 of the Income-tax Act] and the assets of such company include any urban assets, then, notwithstanding anything contained in the Companies Act, 1956 (1 of 1956), or in any other law for the time being in force, in value of such share, to the extent specified in the *Explanation* below, shall be deemed to be an urban asset and the provisions of item (3) of Paragraph A shall apply accordingly.

Explanation.—The extent to which the value of the share in a company is to be deemed to be an urban asset as aforesaid shall be a sum which bears to the value of such share the same proportion which the net value of the urban assets of the company (determined under rule 2 as if they were urban assets belonging to an individual or a Hindu undivided family) bears to the net wealth of the company.;

(ii) Rule 2 appearing after PART II shall be omitted and shall be deemed to have been omitted with effect from the 1st day of April, 1969.

27. *Amendment of Act 18 of 1958.*—In the Gift-tax Act, 1958,—

(a) in sub-section (2) of section 5, for the words "ten thousand", the words "five thousand" shall be substituted with effect from the 1st day of April, 1971;

(b) section 11A shall be re-numbered as section 11AA, and before the section as so re-numbered, the following section shall be inserted, namely:—

"11A. *Commissioner competent to perform any function or functions.*—In respect of any function to be performed by a Commissioner under any provision of this Act, in relation to an assessee, the Commissioner referred to therein shall,—

(a) in a case where only one Commissioner has jurisdiction over such assessee, be such Commissioner;

(b) in a case where two or more Commissioners have concurrent jurisdiction over such assessee, be the Commissioner empowered to perform such function by the Board;"

(c) for the Schedule, the following Schedule shall be substituted with effect from the 1st day of April, 1971, namely:—

THE SCHEDULE

(See section 3)

RATES OF GIFT-TAX

(1) Where the value of all taxable gifts does not exceed Rs. 20,000.	5 per cent of the value of such gifts;
(2) where the value of all taxable gifts exceeds Rs. 20,000 but does not exceed Rs. 50,000.	Rs. 1,000 plus 10 per cent of the amount by which the value of such gifts exceeds Rs. 20,000;
(3) where the value of all taxable gifts exceeds Rs. 50,000 but does not exceed Rs. 1,00,000.	Rs. 4,000 plus 16 per cent of the amount by which the value of such gifts exceeds Rs. 50,000;
(4) where the value of all taxable gifts exceeds Rs. 2,00,000 but does not exceed Rs. 2,00,000.	Rs. 11,500 plus 20 per cent of the amount by which the value of such gifts exceeds Rs. 1,00,000;
(5) where the value of all taxable gifts exceeds Rs. 2,00,000 but does not exceed Rs. 5,00,000.	Rs. 31,500 plus 25 per cent of the amount by which the value of such gifts exceeds Rs. 2,00,000;
(6) where the value of all taxable gifts exceeds Rs. 5,00,000 but does not exceed Rs. 10,00,000.	Rs. 1,06,500 plus 30 per cent of the amount by which the value of such gifts exceeds Rs. 5,00,000;
(7) where the value of all taxable gifts exceeds Rs. 10,00,000 but does not exceed Rs. 15,00,000.	Rs. 2,56,500 plus 40 per cent of the amount by which the value of such gifts exceeds Rs. 10,00,000;
(8) where the value of all taxable gifts exceeds Rs. 15,00,000 but does not exceed Rs. 20,00,000.	Rs. 4,56,500 plus per cent of the amount by which the value of such gifts exceeds Rs. 15,00,000;
(9) where the value of all taxable gifts exceeds Rs. 20,00,000.	Rs. 7,06,500 plus 75 per cent of the amount by which the value of such gifts exceeds Rs. 20,00,000."

CHAPTER V

INDIRECT TAXES

28. *Amendment of Act 32 of 1934.*—The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act) shall be amended in the manner specified in the Second Schedule.

29. *Special duties of customs.*—(1) In the case of goods chargeable with a duty of customs which is specified in the First Schedule to the Tariff Act, or in that Schedule as amended by this Act or a subsequent Central Act, if any, or in that Schedule read with any notification of the Central Government for the time being in force, there shall be levied and collected as an addition to, and in the same manner as, the total amount so chargeable, a special duty of customs equal to ten per cent of such amount;

Provided that in computing the total amount so chargeable, any duty chargeable under section 2A of the Tariff Act or section 30 of this Act shall not be included.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1971, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

30. *Regulatory duties of customs.*—(1) With a view to regulating or bringing greater economy in imports, there shall be levied and collected, with effect from such date, and at such rate, as may be specified in this behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Tariff Act, or in that Schedule as amended by this Act or a subsequent Central Act, if any, a regulatory duty of customs not exceeding—

(a) twenty-five per cent of the rate, if any, specified in the said First Schedule read with any notification issued under section 3A, or sub-section (1) of section 4, of the Tariff Act; or

(b) ten per cent of the value of the goods as determined in accordance with the provisions of section 14 of the Customs Act, 1962 (52 of 1962), whichever is higher:

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1971, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The regulatory duty of customs leviable under this section in respect of any goods referred to in sub-section (1) shall be in addition to any other duty of customs chargeable on such goods under the Customs Act, 1962 (52 of 1962).

(4) The provisions of the Customs Act, 1962 (52 of 1962), and the rules and regulations made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the regulatory duty of customs leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of customs on such goods under that Act or those rules and regulations.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

31. *Amendment of Act 1 of 1949.*—In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1970", the figures "1971" shall be substituted.

32. *Amendment of Act 1 of 1944.*—In the Central Excises and Salt Act, 1944 (hereinafter referred to as the Central Excises Act) in the First Schedule,—

(i) in Item No. 1, for the entries in the third column against sub-items (1) and (2), the entries "Thirty per cent *ad valorem*," and "Fifteen per cent *ad valorem*," shall, respectively, be substituted;

(ii) for Item No. 1A, the following shall be substituted, namely:—

"1A. CONFECTIONERY, COCOA POWDER AND CHOCOLATES IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER, NAMELY:

(1) Boiled sweets, toffees, caramels, candies, nuts (including almonds) and fruit kernels coated with sweetening agent, and chewing gums. Eighty paise per kilogram.

(2) Cocoa powder Ten per cent *ad valorem*.

(3) Drinking chocolates, chocolates in the form of granules or powder. Ten per cent *ad valorem*.

(4) Chocolates in the form of blocks, slabs, tablets, bars, pastilles or croquettes or in any other form, not otherwise specified, whether or not containing nuts, fruit kernels or fruits. Eighty paise per kilogram."

(iii) after Item No. 1B, the following items shall be inserted, namely:—

"1C. FOOD PRODUCTS, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER THE FOLLOWING, NAMELY:—

(1) Biscuits. Ten per cent *ad valorem*.

(2) Pasteurised butter.

(3) Pasteurised or processed cheese.

1D. AERATED WATERS, WHETHER OR NOT FLAVOURED OR SWEETENED AND WHETHER OR NOT CONTAINING VEGETABLE OR FRUIT JUICE OF FRUIT, PULP.

1E. GLUCOSE AND DEXTROSE Ten per cent *ad valorem*."

(iv) for Item No. 2, the following item shall be substituted, namely:—

2. COFFEE

(1) coffee, cured Eighty-five rupees per quintal.

(2) coffee commercially known as "instant coffee". Ten per cent *ad valorem* plus the duty for the time being leviable under sub-item (1) of this

Item on coffee, cured, used in the manufacture of such "instant coffee", if not already paid.

Explanation.—For the purposes of sub-item (1), "coffee" means the seed of the coffee tree (*coffeea*), whether with or without husk, whether cured or uncured, but does not include the seed while still attached to the tree."

(v) for Item No. 3, the following item shall be substituted, namely:—

3. TEA

"Tea" includes all varieties of the product known commercially as tea, and also includes green tea and "instant tea".

(1) Tea, all varieties except package tea and "instant tea" falling within sub-items (2) and (3), respectively, of this item.

(2) Package tea, that is to say, tea packed in any kind of container containing not more than 27 kilograms net of tea but excluding "instant tea".

(3) "Instant tea".

Not exceeding two rupees per kilogram as the Central Government may, by notification in the Official Gazette, fix.

One rupee and twenty-five paise per kilogram plus the duty for the time being leviable under sub-item (1) of this item, if not already paid.

Ten per cent. *ad valorem*. Plus the duty for the time being leviable on tea falling under sub-item (1) of this item, if not already paid and if such tea is used in the manufacture of such "instant tea".

(vi) in Item No. 4, under "II. Manufactured tobacco", for the entry in the third column against sub-item (2), the entry "One hundred and fifty per cent *ad valorem*," shall be substituted;

(vii) in Item No. 6, for the entry in the third column, the entry "Seven hundred and twenty rupees per kilolitre at fifteen degrees of Centigrade thermometer." shall be substituted;

(viii) in Item No. 14A, for the entry in the third column, the entry "Ten per cent *ad valorem*," shall be substituted;

(ix) after Item No. 14A, the following item shall be inserted, namely:—

"14AA. CHEMICALS. THE FOLLOWING, NAMELY:—

(1) Calcium carbide.

(2) Bleaching paste and bleaching powder.

(3) Sodium hydrosulphite.

(x) in Item No. 14B, for the entry in the third column, the entry "Tea per cent *ad valorem*," shall be substituted;

(xi) after Item No. 16A, the following item shall be inserted, namely:—

“16AA SYNTHETIC RUBBER, INCLUDING BUTADIENE ACRYLONITRILE RUBBER, STYRENE BUTADIENE RUBBER AND BUTYL RUBBER; SYNTHETIC RUBBER LATEX, INCLUDING PRE-VULCANISED SYNTHETIC RUBBER LATEX.

(xii) in Item No. 19, in sub-item 1 (1), after the word “lappet,”, the words “butta fabrics, round mesh mosquito netting,” shall be inserted;

(xiii) in Item No. 22, for the entry in the third column against sub-item (1), the entry “Ten per cent *ad valorem*.” shall be substituted;

(xiv) in Item No. 23B, for the entries in the third column against each of the sub-items (2) and (3), the entry “Twenty-five per cent *ad valorem*,” shall be substituted;

(xv) in Item No. 26AA,—

(a) in sub-item (ia), for the words “angles, channels”, the words “angles other than slotted angles, channels other than slotted channels” shall be substituted;

(b) in sub-item (ii), after the word “channels”, the words “other than slotted channels” shall be inserted;

(xvi) for Item No. 27, the following Item shall be substituted, namely:—

“27. ALUMINIUM.—

(a) (i) in any crude form including ingots, bars, blocks, slabs, billets, shots and pellets; Twenty-five per cent *ad valorem*.

(ii) wire bars, wire rods and castings, not otherwise specified. Twenty-five per cent *ad valorem*.

(b) Manufactures, the following namely, plates, sheets, circles and strips in any form or size, not otherwise specified. Twenty-five per cent *ad valorem*.

(c) Foils, that is a product of thickness (excluding any backing) not exceeding 0.15 millimetre. Twenty-five per cent *ad valorem*.

(d) Pipes and tubes, other than extruded pipes and tubes. Twenty-five per cent *ad valorem*.

(e) Extruded shapes and sections including extruded pipes and tubes. Twenty-five per cent *ad valorem*.”;

(xvii) in Item No. 28, for the entry in the third column, the entry “Four hundred rupees per metric tonne.” shall be substituted;

(xviii) in Item No. 29A, for the entries in the third column against sub-items (1), (2) and (3), the entries “Forty per cent *ad valorem*.”, “Forty per cent *ad valorem*.” and “Fifty per cent *ad valorem*.” shall, respectively, be substituted;

(xix) after Item No. 33C, the following Item shall be inserted, namely:—

“33D. OFFICE MACHINES AND APPARATUS, INCLUDING TYPE-WRITERS, CALCULATING MACHINES, CASH REGISTERS, CHEQUE-WRITING MACHINES, ACCOUNTING MACHINES, STATISTICAL MACHINES COMPUTERS (INCLUDING

Three hundred rupees per tonne.”;

CENTRAL PROCESSING UNITS AND PERIPHERAL DEVICES), INTERCOM-DEVICES (BUT EXCLUDING TELEPHONES), TELE-PRINTERS AND AUXILIARY MACHINES FOR USE WITH SUCH MACHINES, WHETHER IN ASSEMBLED OR UN-ASSEMBLED CONDITION.

Explanation.—The term “office machines and apparatus” shall be construed so as to include all machines and apparatus used in offices, shops, factories, workshops, educational institutions, railway stations, hotels and restaurants for doing office work, for data processing and for transmission and reception of messages.”;

(xx) in Item No. 40, for the entry in the second column, the following entry shall be substituted, namely:—

“STEEL FURNITURE MADE PARTLY OR WHOLLY OF STEEL, IN OR IN RELATION TO THE MANUFACTURE OF WHICH ANY PROCESS IS ORDINARILY CARRIED ON WITH THE AID OF POWER WHETHER IN ASSEMBLED OR UNASSEMBLED CONDITION AND PARTS OF SUCH STEEL, FURNITURE (BUT EXCLUDING SLOTTED ANGLES AND CHANNELS MADE OF STEEL).”;

(xxi) after Item No. 43, the following Items shall be inserted, namely:—

44. SPARKING PLUGS

Ten per cent *ad valorem*.

Ten per cent *ad valorem*.

Ten per cent *ad valorem*

45. SAFETY RAZOR BLADES MADE OF STAINLESS STEEL

46. METAL CONTAINERS ORDINARILY INTENDED FOR PACKING OF GOODS FOR SALE, INCLUDING CASKS, DRUMS, CANS, BOXES, GAS CYLINDERS AND PRESSURE CONTAINERS BUT EXCLUDING COLLAPSIBLE TABULAR CONTAINERS MADE OF ALUMINIUM.

47. SLOTTED ANGLES AND CHANNELS MADE OF STEEL.

Ten per cent *ad valorem* plus the excise duty for the time being leviable on angles and channels under sub-item (ia) or, as the case may be sub-item (ii) of Item No. 26-A A, if not already paid.

48. SAFES, STRONG-BOXES, STRONG-ROOM LININGS AND STRONG-ROOM DOORS (WHETHER OR NOT WITH DOOR FRAMES), AND CASH AND DEED BOXES AND THE LIKE, OF BASE METAL.

33. *Special duties of excise on certain goods.*—(1) When goods of the description mentioned in this section chargeable with a duty of excise under the Central Excises Act (as amended by this Act or any subsequent

Central Act) read with any notification for the time being in force issued by the Central Government in relation to the duty so chargeable, are assessed to duty, there shall be levied and collected

(a) as respects goods comprised in Items Nos. 6, 8, 9, 14D, 22A, 23A except sub-item (1) thereof, 23B, 28, 29, sub-items (2) and (3) of Item No. 31 and Item No. 32 of the First Schedule to the Central Excises Act, a special duty of excise equal to ten per cent of the total amount so chargeable on such goods;

(b) as respects goods comprised in Items Nos. 2, 3 (1), sub-items I, II(2) and II(3) of Item No. 4, Items Nos. 13, 14, 14F, 15, 15A, 15B, 16 16A, 17, 18A (2), 21, 22, 23, 23A (1), 27, 30, 31(1), 33, sub-items (1), (a) and (4) of Item No 34 and sub-items II (1), and II(2) of Item No. 33 of that Schedule, special duty of excise equal to twenty per cent of the total amount chargeable on such goods; and

(c) as respects goods comprised in sub-item II (1) of Item No. 4 and Items Nos. 18, 18A(1), 18B, 20, 29A, 33A and sub-items (2) and (3) of Item No. 34 of that Schedule, a special duty of excise equal to 33½ per cent of the total amount so chargeable on such goods.

(2) Sub-section (1) shall cease to have effect after the 31st day of March, 1971, except as respects things done or omitted to be done before such cesser; and section 6 of the General Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such special duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be, apply in relation to the levy and collection of the duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of duties of excise on such goods under that Act or those rules.

34. *Regulatory duties of excise.*—(1) With a view to regulating or bringing greater economy in consumption, there shall be levied and collected, with effect from such date, and at such rate, as may be specified in his behalf by the Central Government by notification in the Official Gazette, on all or any of the goods mentioned in the First Schedule to the Central Excises Act as amended by this Act or any subsequent Central Act, a regulatory duty of excise which shall not exceed fifteen per cent of the value of the goods as determined in accordance with the provisions of section 4 of the Central Excises Act.

Provided that different dates and different rates may be specified by the Central Government for different kinds of goods.

(2) Sub-section (1) shall cease to have effect after the 15th day of May, 1971, except as respects things done or omitted to be done before such cesser; and section 6 of the Central Clauses Act, 1897 (10 of 1897), shall apply upon such cesser as if the said sub-section had then been repealed by a Central Act.

(3) The duties of excise referred to in sub-section (1) in respect of the goods specified therein shall be in addition

to the duties of excise chargeable on such goods under the Central Excises Act or any other law for the time being in force and such regulatory duties shall be levied for purposes of the Union and the proceeds thereof shall not be distributed among the States.

(4) The provisions of the Central Excises Act and the rules made thereunder, including those relating to refunds and exemptions from duties, shall, as far as may be apply in relation to the levy and collection of the regulatory duties of excise leviable under this section in respect of any goods as they apply in relation to the levy and collection of the duties of excise on such goods under that Act or those rules.

(5) Every notification issued under sub-section (1) shall, as soon as may be after it is issued, be placed before each House of Parliament.

35. *Amendment of Act 58 of 1957.*—In the First Schedule to the Additional Duties of Excise (Goods of Special Importance) Act, 1957,—

(i) in Item No. 1, for the entry in the third column, the entry "Seven and a half per cent *ad valorem*" shall be substituted;

(ii) in item No. 19, in sub-item I (1), after the word "lappet," the words "butta fabrics, round mesh mosquito netting," shall be inserted;

(iii) in Item No. 22, for the entry in the third column against sub-item (1), the entry "Two and a half per cent *ad valorem*" shall be substituted.

36. *Discontinuance of salt duty.*—For the year beginning on the 1st day of April, 1970, no duty under the Central Excises Act, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India.

CHAPTER VI

MISCELLANEOUS

37. *Amendment of Act 6 of 1898.*—In the First Schedule to the Indian Post Office Act, 1898:—

(a) for the sub-heading "Book' Pattern and Sample, Packets" and the entries thereunder, the following shall be substituted, namely:—

"Book Pattern and Sample' packets

For the first fifty grams or fraction thereof 20 paise For every additional twenty-five grams, or 10 paise"; fraction thereof, in excess of fifty grams.

(b) for the sub-heading "Parcels" and the entries thereunder, the following shall be substituted, namely:—

"Parcels

For a weight not exceeding four hundred 90 paise grams.

For every four hundred grams or fraction 90 paise thereof, exceeding four hundred grams.

38. *Amendment of Act 52 of 1963.*—In section 32 of the Unit Trust of India Act, 1963,—

(a) in sub-section (1), clause (b) shall be omitted with effect from the 1st day of April, 1971; •

(b) in sub-section (2), in clause (c), for the words "one thousand rupees" in both the places where they occur, the words "three thousand rupees" shall be substituted.

39. *Amendment of Act 7 of 1964.*—In section 3 of the Companies (Profits) Surtax Act, 1964, after the words "Director of Inspection, Commissioner of Income-tax," the words "Additional Commissioner of Income-tax," shall be inserted.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX AND SURCHARGES ON INCOME-TAX

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,—

Rates of Income-tax

- (1) where the total income does not exceed Rs. 5,000. Rs. 5 per cent of the total income;
- (2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000. Rs. 250 plus 10 per cent of the amount by which the total income exceeds Rs. 5,000;
- (3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000. Rs. 750 plus 17 per cent of the amount by which the total income exceeds Rs. 10,000;
- (4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000. Rs. 1,600 plus 23 per cent of the amount by which the total income exceeds Rs. 15,000;
- (5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000. Rs. 2,750 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000;
- (6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000. Rs. 4,250 plus 40 per cent of the amount by which the total income exceeds Rs. 25,000;
- (7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 50,000. Rs. 6,250 plus 50 per cent of the amount by which the total income exceeds Rs. 30,000;
- (8) Where the total income exceeds Rs. 50,000 but does not exceed Rs. 70,000. Rs. 16,250 plus 60 per cent of the amount by which the total income exceeds Rs. 50,000;
- (9) where the total income exceeds Rs. 70,000 but does not exceed Rs. 1,00,000. Rs. 28,250 plus 65 per cent of the amount by which the total income exceeds Rs. 70,000;
- (10) where the total income exceeds Rs. 1,00,000, but does not exceed Rs. 2,50,000. Rs. 47,750 plus 70 per cent of the amount by which the total income exceeds Rs. 1,00,000;
- (11) where the total income exceeds Rs. 2,50,000. Rs. 1,52,750 plus 75 per cent of the amount by which the total income exceeds Rs. 7,50,000;

Provided that for the purposes of this Paragraph, in the case of a person, not being a non-resident—

- (i) no income-tax shall be payable on total income not exceeding the following limit, namely:—
- (a) Rs. 7,000 in the case of every Hindu undivided family which at any time during the previous

year satisfies either of the following two conditions, namely:—

- (1) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or
- (2) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;
- (b) Rs. 4,000 in every other case;

(ii) where such person is an individual whose total income does not exceed Rs. 10,000 and who, has, during the previous year, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed:

- (a) Rs. 145 .. in the case of an unmarried individual;
- (b) Rs. 220 .. in the case of a married individual who has no child mainly dependent on him;
- (c) Rs. 240 .. in the case of a married individual who has one child mainly dependent on him;
- (d) Rs. 260 .. in the case of a married individual who has more than one child mainly dependent on him,

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000 this clause shall have effect as if for the amounts of Rs. 220, Rs. 240 and Rs. 260 the amounts of Rs. 145, Rs. 165 and Rs. 185 had, respectively, been substituted;

(iii) where such person is an individual not falling under clause (ii) or a Hindu undivided family, the income-tax computed at the rate hereinbefore specified shall be reduced by so much of the amount specified hereunder, as does not exceed the amount of income-tax so computed:—

- (a) Rs. 125 .. in the case of an unmarried individual;
- (b) Rs. 200 .. in the case of a married individual who has no child mainly dependent on him or a Hindu undivided family which has no minor coparcener;
- (c) Rs. 220 .. in the case of a married individual who has one child mainly dependent on him or a Hindu undivided family which has one minor coparcener mainly supported from the income of such family;
- (d) Rs. 240 .. in the case of a married individual who has more than one child mainly dependent on him or a Hindu undivided family which has more than one minor coparcener mainly supported from the income of such family,

so, however, that in the case of a married individual whose spouse has a total income exceeding Rs. 4,000, this clause shall have effect as if for the amounts of Rs. 200, Rs. 220 and Rs. 240, the amounts of Rs. 125, Rs. 145 and Rs. 165 had, respectively, been substituted;

- (iv) (A) where such person is an individual whose total income exceeds Rs. 10,000 but does not exceed Rs. 20,000 and who has, during the previous

year, incurred any expenditure for the maintenance of any one or more of his parents or grand-parents mainly dependent on him, the income-tax payable by him in respect of such total income shall not exceed the aggregate of—

- (1) the income-tax which would have been payable by the individual if his total income had been Rs. 10,000; and
- (2) forty per cent of the amount by which the total income of the individual exceeds Rs. 10,000;

(B) where such person is not an individual whose case falls under sub-clause (A) and the total income of such person does not exceed Rs. 20,000, the income-tax payable thereon shall not exceed forty per cent of the amount by which the total income exceeds the limit specified in sub-clause (a) or, as the case may be, sub-clause (b) of clause (i) of this proviso.

Explanation.—For the purposes of clause (ii) and sub-clause (A) of clause (iv) of this proviso, a parent or grand-parent of an individual shall not be treated as being mainly dependent on such individual if the income of the parent or, as the case may be, the grand-parent from all sources in respect of the previous year exceeds one thousand rupees.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rates of income-tax

- (1) where the total income 15 per cent of the total income; does not exceed Rs. 10,000.
- (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000.
- (3) where the total income exceeds Rs. 20,000.

Rs. 1,500 plus 25 per cent of the amount by which the total income exceeds Rs. 10,000;

Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

- (1) where the total income Nil; exceeds Rs. 10,000.
- (2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 25,000.
- (3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000.
- (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000.
- (5) where the total income exceeds Rs. 1,00,000.

4 per cent of the amount by which the total income exceeds Rs. 10,000;

Rs. 600 plus 6 per cent of the amount by which the total income exceeds Rs. 25,000;

Rs. 2,100 plus 12 per cent of the amount by which the total income exceeds Rs. 50,000;

Rs. 8,100 plus 20 per cent

exceeds Rs. 1,00,000.

of the amount by which the total income exceeds Rs. 1,00,000.

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

- (a) in the case of a registered firm whose total income included income derived from a profession carried on by it and the income so included is not less than fifty-one per cent of such total income, a surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified;
- (b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent of the amount of income-tax computed at the rate hereinbefore specified; and
- (c) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—
 - (i) the amount of income-tax computed at the rate hereinbefore specified; and
 - (ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b), of this sub-paragraph.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total 50 per cent. income.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

- (i) on that part of its total income which consists of profits and gains from life insurance business.
- (ii) on the balance, if any, of the total income.

the rate of income-tax applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

1. In the case of domestic company—

- (1) where the company is a company in which the public are substantially interested,—
 - (i) in a case where the 45 per cent of the total income does not exceed Rs. 50,000.

(ii) in a case where the 55 per cent of the total income exceeds total income; Rs. 50,000.

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the 55 per cent; total income as does not exceed Rs. 10,00,000.

(b) on the balance, if 60 per cent; any, of the total income

(ii) in any other case 65 per cent of the total income:

Provided that the income-tax, payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000 shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent of the amount by which its total income exceeds Rs. 50,000.

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, in either case, been approved by the Central Government.

(ii) on the balance, if any, of the 70 per cent. total income.

PART II

Rates for deduction of tax at source in certain cases

In every case in which under the provisions of sections 193, 194, 194A and 195 of the Income-tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to deduction, at the following rates:—

Income-tax

Rate of income-tax	Rate of surcharge	
1	2	3

1. In the case of a person other than a company—

(a) where the person is resident—

(i) on income by way of interest other than "Interest on securities" 10 per cent

1	2	3
(ii) on any other income (excluding interest payable on a tax free security)	20 per cent	2 per cent
(b) where the person is not resident in India—		
(i) on the whole income (excluding interest payable on a tax free security)	Income-tax at 30 per cent and surcharge at 3 per cent of the amount of the income	
	or	
	income-tax and surcharge on income-tax in respect of the income at the rates prescribed in Paragraph A of Part III of this Schedule, if such income had been the total income, whichever is higher;	
	15 per cent	1.5 per cent
(ii) on the income by way of interest payable on a tax free security.		
2. In the case of a company—		
(a) where the company is a domestic company—		
(i) on income by way of interest other than "Interest on securities".	20 per cent	Nil
(ii) on any other income (excluding interest payable on a tax free security).	22 per cent	Nil
(b) where the company is not a domestic company—		
(i) on the income by way of dividends payable by an Indian company as is referred to in clause (a) (i) of sub-section (1) of section 80M of the Income-tax Act.	14 per cent	Nil
(ii) on the income by way of dividends payable by any domestic company other than a company referred to in (i) hereinabove.	24.5 per cent	Nil
(iii) on the income by way of royalties payable by an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, and which has been approved by the Central Government.	50 per cent	Nil
(iv) on the income by way of fees payable by an Indian concern for rendering technical services in pursuance of an agreement made by it with the Indian	50 per cent	Nil

1	2	3
concern after the 29th day of February, 1964, and which has been approved by the Central Government.		
(i) on the income by way of interest payable on tax free security.	44 per cent	Nil
(ii) on any other income	70 per cent	Nil

PART III

Rates for calculating or charging income-tax in certain cases, deducting income-tax from income chargeable under the head "Salaries" or any payment referred to in sub-section (9) of section 80L and computing "advance tax".

In cases in which income-tax has to be calculated under section 130 or charged under sub-section (4) of section 132 of the Income-tax Act or charged under sub-section (4) of section 171 or sub-section (2) of section 174 or section 175 or sub-section (2) of section 176 of the said Act or deducted under section 192 of the said Act from income chargeable under the head "Salaries" or deducted under sub-section 191 of section 80L of the said Act from any payment referred to in the said sub-section (9) or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed, at the rate or rates in force such income-tax or, as the case may be, "advance tax" shall be so calculated, charged, deducted or computed at the following rate or rates:

Paragraph A

In the case of every individual or Hindu undivided family or unregistered firm or other association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,

Rates of income-tax

(1) where the total income does not exceed Rs. 5,000.	Nil;
(2) where the total income exceeds Rs. 5,000 but does not exceed Rs. 10,000.	10 per cent. of the amount by which the total income exceeds Rs. 5,000;
(3) where the total income exceeds Rs. 10,000 but does not exceed Rs. 15,000.	Rs. 500 plus 17 per cent of the amount by which the total income exceeds Rs. 10,000;
(4) where the total income exceeds Rs. 15,000 but does not exceed Rs. 20,000.	Rs. 1,350 plus 23 per cent of the amount by which the total income exceeds Rs. 15,000;
(5) where the total income exceeds Rs. 20,000 but does not exceed Rs. 25,000.	Rs. 2,500 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000;
(6) where the total income exceeds Rs. 25,000 but does not exceed Rs. 30,000.	Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 25,000;
(7) where the total income exceeds Rs. 30,000 but does not exceed Rs. 40,000.	Rs. 6,000 plus 50 per cent of the amount by which the total income exceeds Rs. 30,000;
(8) where the total income	Rs. 11,000 plus 60 per cent

exceeds Rs. 40,000 but does not exceed Rs. 60,000.	of the amount by which the total income exceeds Rs. 40,000;
(9) where the total income exceeds Rs. 60,000 but does not exceed Rs. 80,000.	Rs. 23,000 plus 70 per cent of the amount by which the total income exceeds Rs. 60,000;
(10) where the total income exceeds Rs. 80,000 but does not exceed Rs. 1,00,000.	Rs. 37,000 plus 75 per cent of the amount by which the total income exceeds Rs. 80,000;
(11) where the total income exceeds Rs. 1,00,000 but does not exceed Rs. 2,00,000.	Rs. 52,000 plus 80 per cent of the amount by which the total income exceeds Rs. 1,00,000;
(12) where the total income exceeds Rs. 2,00,000.	Rs. 1,32,000 plus 85 per cent of the amount by which the total income exceeds Rs. 2,00,000;

Provided that for the purposes of this Paragraph in the case of a Hindu undivided family which at any time during the previous year relevant to the assessment year commencing on the 1st day of April, 1971, satisfies either of the following two conditions, namely:

- that it has at least two members entitled to claim partition who are not less than eighteen years of age; or
- that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family,—
 - no income-tax shall be payable on a total income not exceeding Rs. 7,000;
 - where the total income exceeds Rs. 7,000 but does not exceed Rs. 7,660, the income-tax payable thereon shall not exceed forty per cent of the amount by which the total income exceeds Rs. 7,000.

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent. of such income-tax.

Paragraph B

In the case of every co-operative society,—

Rate of income-tax

(1) where the total income does not exceed Rs. 10,000	15 per cent of the total income;
(2) where the total income exceeds Rs. 10,000 but does not exceed Rs. 20,000.	Rs. 1,500 plus 25 per cent of the amount by which the total income exceeds Rs. 10,000;
(3) where the total income exceeds Rs. 20,000.	Rs. 4,000 plus 40 per cent of the amount by which the total income exceeds Rs. 20,000.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax.

Paragraph C

In the case of every registered firm,—

Rates of income-tax

(1) where the total income does not exceed Rs. 10,000.	Nil;
(2) where the total income exceeds Rs. 10,000.	4 per cent of the amount by which the total income

but does not exceed Rs. 25,000

(3) where the total income exceeds Rs. 25,000 but does not exceed Rs. 50,000

* (4) where the total income exceeds Rs. 50,000 but does not exceed Rs. 1,00,000.

(5) where the total income exceeds Rs. 1,00,000.

exceeds Rs. 10,000;

Rs. 600 plus 6 per cent of the amount by which the total income exceeds Rs. 25,000;

Rs. 2,100 plus 12 per cent of the amount by which the total income exceeds Rs. 50,000;

Rs. 8,100 plus 20 per cent of the amount by which the total income exceeds Rs. 1,00,000.

Surcharges on income-tax

The amount of income-tax computed at the rate herein before specified shall be increased by the aggregate of surcharges for purposes of the Union calculated as specified hereunder:—

(a) in the case of a registered firm whose total income includes income derived from a profession carried on by it and the income so included is not less than fifty-one per cent of such total income, surcharge calculated at the rate of ten per cent of the amount of income-tax computed at the rate hereinbefore specified;

(b) in the case of any other registered firm, a surcharge calculated at the rate of twenty per cent of the amount of income-tax computed at the rate hereinbefore specified; and

(c) a special surcharge calculated at the rate of ten per cent on the aggregate of the following amounts, namely:—

- (i) the amount of income-tax computed at the rate hereinbefore specified; and
- (ii) the amount of the surcharge calculated in accordance with clause (a), or, as the case may be, clause (b), of this sub-paragraph.

Paragraph D

In the case of every local authority,—

Rate of income-tax

On the whole of the total 50 per cent. income.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

- (i) on that part of its total income which consists of profits and gains from life insurance business. 52.5 per cent;
- (ii) on the balance, if any, of the total income applicable, in accordance with Paragraph F of this Part, to the total income of a domestic company which is a company in which the public are substantially interested.

Paragraph F

In the case of a company, other than the Life Insurance Corporation of India established under the Life Insurance

Corporation Act, 1956 (31 of 1956),—

Rates of income-tax

I. In the case of a domestic company—

(1) where the company is a company in which the public are substantially interested,—

(i) in a case where the total income does not exceed Rs. 50,000. 45 per cent of the total income;

(ii) in a case where the total income exceeds Rs. 50,000. 55 per cent of the total income;

(2) where the company is not a company in which the public are substantially interested,—

(i) in the case of an industrial company—

(a) on so much of the total income as does not exceed Rs. 10,00,000. 55 per cent;

(b) on the balance, if any, of the total income. 60 per cent;

(ii) in any other case 65 per cent of the total income:

Provided that the income-tax payable by a domestic company, being a company in which the public are substantially interested, the total income of which exceeds Rs. 50,000, shall not exceed the aggregate of—

(a) the income-tax which would have been payable by the company if its total income had been Rs. 50,000 (the income of Rs. 50,000 for this purpose being computed as if such income included income from various sources in the same proportion as the total income of the company); and

(b) eighty per cent of the amount by which its total income exceeds Rs. 50,000.

II. In the case of a company other than a domestic company—

(i) on so much of the total income as consists of—

(a) royalties received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 31st day of March, 1961, or

(b) fees for rendering technical services received from an Indian concern in pursuance of an agreement made by it with the Indian concern after the 29th day of February, 1964,

and where such agreement has, in either case, been approved by the Central Government. 50 per cent;

(ii) on the balance, if any, 70 per cent. of the total income.

THE SECOND SCHEDULE

(See section 28)

PART I

In the First Schedule to the Tariff Act,—

(i) in Item No. 22 (3),—

(1) for the entry in the fourth column against

- * sub-item (a), the entry "Rs. 45.00 per litre" shall be substituted;
- (2) for the entry in the fourth column against sub-item (b), the entry "Rs. 30.00 per litre" shall be substituted;
- (ii) in Item No. 22 (4), for the entry in the fourth column against sub-item (a), the entry "Rs. 60.00 per litre or 200 per cent *ad valorem*, whichever is higher" shall be substituted.
- (iii) in Item No. 73 (23), for the entry in the fourth column the entry "100 per cent *ad valorem*" shall be substituted;
- (iv) Item No. 82 (4) and the entries relating thereto shall be omitted;
- (v) in Item No. 87B, for the entry in the fourth column, against sub-item (i) the entry "60 per cent *ad valorem*" shall be substituted.

PART II

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of			Duration of protective rates of duty
				The United Kingdom	A British Colony	7	
1	2	3	4	5	6	7	

In the first Schedule to the Tariff Act, for item No. 82(3), the following Item shall be substituted namely:—

"82(3) (a) Article or synthetic resins and plastic materials in any form, whether solid, liquid or pastry, or as powder, granules or flakes, or in the form of moulding powders.

(b) Articles made of plastics, the following, namely tubes, rods, sheets, foils, sticks, other rectangular or profile shapes, whether laminated or not, and whether rigid or flexible including lay flat tubing and polyvinyl chloride sheets.

Revenue 100 per cent *ad valorem*.

Revenue 100 per cent *ad valorem*.

Assented to on 23-5-1970.

THE CENTRAL SILK BOARD (AMENDMENT)

ACT, 1970
(ACT NO. 21 OF 1930)
AN
ACT

further to amend the Central Silk Board Act, 1948.
Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. *Short title.*— This Act may be called the Central Silk Board (Amendment) Act, 1970.

2. *Amendment of section 1.*—In the Central Silk Board Act, 1948 (61 of 1948) (hereinafter referred to as the principal Act), in section 1, in sub-section (2), the words "except the State of Jammu and Kashmir" shall be omitted.

3. *Amendment of section 8.*—In section 8 of the Principal Act,—

(a) in sub-section (2)—

(i) in clause (b), for the words "reeling of silk-worm cocoons", the words "reeling or, as the case may be, spinning of silk-worm cocoons and silk waste" shall be substituted;

(ii) clause (c) shall be omitted;

(b) in sub-section (3)—

(i) clause (b) shall be omitted;

(ii) in clause (c), the word "other" shall be omitted.

4. *Amendment of section 12.*—In section 12 of the principal Act, for sub-sections (2) and (3), the following sub-sections shall be substituted, namely:—

(2) The accounts of the Board shall be audited by the Comptroller and Auditor General of India at such intervals as may be specified by him and any expenditure incurred in connection with such audit shall be payable by the Board to the Comptroller and Auditor General.

(3) The Comptroller and Auditor General of India and any person appointed by him in connection with the audit of the accounts of the Board shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor General of India has in connection with the audit of Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Board.

(4) The accounts of the Board as certified by the Comptroller and Auditor General of India or any person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and that Government shall cause a copy of the same to be laid before each House of Parliament.

(6) A copy of the accounts of the Board as so certified together with the audit report thereon shall be forwarded simultaneously to the Board."

5. *Insertion of new section 12A.*—After section 12 of the principal Act, the following section shall be inserted, namely:—

“12A. *Annual report.*—The Board shall prepare for every financial year a report of its activities and achievements during that year and submit the report to the Central Government in such form and on or before such date as may be prescribed, and the Government shall cause a copy of the report to be laid before each House of Parliament.”.

6. *Amendment of section 13.*—In section 13 of the principal Act,—

(a) in sub-section (2)—

(i) in clause (viii), the words “and the audit of such accounts” shall be omitted;

(ii) after clause (viii), the following clause shall be inserted, namely:—

“(viiiia) the form of the annual report of the Board and the date on or before which it shall be submitted to the Central Government;”;

(b) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”.

Assented to on 23-5-1970

THE TEA (AMENDMENT) ACT, 1970
(ACT NO. 22 OF 1970)

AN
ACT

further to amend the Tea Act, 1953.

Be it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

1. *Short title.*—This Act may be called the Tea (Amendment) Act, 1970.

2. *Insertion of new section 26A.*—In the Tea Act, 1953 (20 of 1953) (hereinafter referred to as the principal Act), after section 26, the following section shall be inserted, namely:—

“26A. *Grants and loans by the Central Government to the Board.*—The Central Government may, after due appropriation made by Parliament by law in this behalf, pay to the Board by way of grants or loans such sums of money as the Central Government may consider necessary.”.

3. *Amendment of section 27.*—In section 27 of the principal Act, in sub-section (1), after clause (a), the following clause shall be inserted, namely:—

“(aa) any sum of money that may be paid to the Board by way of grants or loans under section 26A;”.

4. *Amendment of section 49.*—In section 49 of the principal Act, for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Every rule made under this Act shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.”.

